



# THE INDEPENDENT

Monday 22 December 1997

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## The first split: five ministers confront Blair over benefits

**Tony Blair is facing a serious split in his Cabinet as he takes personal charge of the benefit reform programme. A group including some of the Government's biggest hitters is opposed to large-scale cuts in disability benefits. Our political correspondent says it is a row that will be the Prime Minister's toughest challenge yet.**

Mr Blair has often promised to make "hard choices" on welfare reform. Last night he was contemplating a stark choice between a public climbdown and a Cabinet row.

A powerful faction in the Cabinet, including John Prescott, Robin Cook, David Blunkett, Frank Dobson and Clare Short, are thought to be ready to take on the Prime Minister.

Indications of the seriousness of the opposition to aspects of Mr Blair's determination to cut a series of disability benefits came in a leaked memo to the Chancellor Gordon Brown, from David Blunkett, Secretary of State for Education and Employment Secretary. The memo, dated 9

of State for International Development, are all thought to be unhappy although neither has spoken out yet.

There are also question marks over the strength of support offered by other ministers. A furious Alan Howarth, the former Tory minister, now an employment minister, was reported to have told ex-colleagues as he joined them in the lobby to vote for cuts in lone parents' benefits that it was too early in the Parliament to resign.

Last night the Tories released figures showing the Government could be defeated if the opposition parties voted together and 91 Labour MPs rebelled.

Mr Blunkett's opposition and that of several of his colleagues - a number of junior ministers are also believed to be unhappy - makes Mr Blair's latest strategy of taking personal charge a high-risk one.

The Prime Minister announced on Saturday that he would chair a special Cabinet committee including Ms Harman, Mr Brown and Mr Dobson to look at welfare reform. It emerged last night that Mr Blunkett would also be given a place.

Last night Mr Blair underlined his earlier stance on benefit reform "We will do it fairly and sensitively, but we are going to stand absolutely, resolutely firm on change because the welfare system isn't working and it needs reforming," he said.

If the project fails and the Government faces another rebellion or loses more ministers - Malcolm Chisholm has already resigned over lone parents - Mr Blair will take a personal blow which cannot be easily deflected.

Already some Cabinet members are grumbling about lack of consultation. Although there was a half-hour discussion on benefits last Thursday, most meetings are brief and ministers say they feel decisions are handed down rather than being taken jointly.

Even as the manoeuvring continued, it became clear that moves to cut disability benefit bills had already started. The 1.8 million people on Disability Living Allowance were being sent 33-page forms designed to see if they were entitled to their payments, according to the ITV programme *Link*. Although some had received extra money, many more had their benefits cut.

Lord Ashley, joint chairman of the parliamentary all-party disablement group, said the Government now had no choice but to think again after the leaking of the memo.

"It reveals proposals under consideration that are outrageous in their scope and depth. They will shock and disturb millions of disabled people," he said.

**Blunkett's disquiet, page 6**  
**Polly Toynbee, page 13**

**Face off (from top) David Blunkett, Robin Cook, Frank Dobson, Clare Short and John Prescott are unhappy about cuts** Photographs: Brian Harris



BY FRAN ABRAMS

December, the eve of the rebellion by 47 Labour MPs on abolition of the lone parent benefit, said the political flashpoint could come over the proposed abolition of industrial injuries benefit for existing claimants. That would be politically unacceptable and could provoke a sizeable rebellion, he suggested.

"Deep cuts in the totality of support for those disabled people who either cannot work or can find only very modestly paid work would make a mockery of our professions on a social exclusion and the construction of a more just society," he wrote in the letter, leaked to the *Sunday Telegraph*.

Mr Blunkett has recently been telling colleagues that he did not want the "dirty money" education could receive from cuts in disability benefits. But yesterday he denied there was a split and portrayed his memo as part of an ongoing debate.

John Prescott, the Deputy Prime Minister, was heard at Christmas parties using strong language when criticising the benefits cuts programme, although yesterday he denied reports that he had told Mr Blair that Harriet Harman, Secretary of State for Social Security, was "a liability" and had asked for her to be sacked.

Frank Dobson, the Secretary of State for Health, is also believed to have been critical in private. Robin Cook, the Foreign Secretary, and Clare Short, Secretary

### TODAY'S NEWS

#### Ireland faces massive hearing damage claims

The Dublin government is facing huge bills as they deal with an avalanche of compensation cases taken by Irish soldiers who claim their hearing has been damaged by the noise of gunfire. One prediction of the final bill is £350m, but it could reach up to £2bn. **Page 8**

#### Millennium secrets

Yesterday the first clues began seeping out of what will be found in the Millennium Dome in London. The main theme will be Time, with "a journey through time and space" designed by the artist David Hockney. **Page 4**

#### Gurkha revolt

Former members of the Gurkhas, the Nepalese soldiers recruited by the British army, are planning to take the British government to court in their fight for better pensions. The Gurkhas receive a pension that is a fraction of their British counterparts'. **Page 9**

## US clinics offer abortion after eight days

Highly sensitive pregnancy tests combined with a 'menstruation extraction' technique are allowing women in the US to terminate a pregnancy eight to ten days after conception. But **Jeremy Lawrence**, Health Editor, says the method has drawbacks.

The early abortions, which can be carried out before a woman has missed her first period, are being offered in 33 clinics around the US run by Houston Planned Parenthood.

British experts expressed surprise at the use of the technique which would require women, who suspected they might be pregnant, to have a blood test and then undergo vacuum aspiration, in which a hand-held syringe is used to extract the contents of the womb.

The Family Planning Association said women in the UK who had unprotected sex could take the "morning-after" pill up to 72 hours after intercourse which would trigger menstruation. If they missed that deadline, or wanted to confirm that they were pregnant before taking action, they would normally do a urine pregnancy test after their first missed period.

A spokeswoman said: "You

can do a blood test earlier but it is not generally available and there is no point. You can't have an abortion as the foetus is so small there is a risk it could be missed by vacuum aspiration."

The attraction of the new method is that morning-after and "abortion pills" which can be effective up to seven weeks after conception, are not generally available in America. The early abortion may be politically more acceptable in a country where the "pro-life" lobby is very strong and wins support using photographs of almost fully formed foetuses.

Dr Wendy Savage, consultant gynaecologist at the Royal London NHS Trust, said that women who had very early

abortions using the vacuum method must be warned that the pregnancy could be missed and that it might end naturally anyway. "However, I can see that it could be a good option in the US because of the ferocity of the anti-abortion movement."

Dr Michael Burnhill, vice president for medical affairs of the Planned Parenthood Federation of America, appeared to confirm that the early terminations were being offered in the hope of defusing anti-abortion opposition.

"With these very early abortions we are talking about a gestational sac the size of a matchstick head. It's nobody's picture of a little baby sucking its thumb," he said.

### INSIDE TODAY

**Helen Mirren as you've never dreamed of her**

15/FEATURES



**Santa and Scrooge: The billion-pound tussle between Christmas and the sales**

3/NEWS

**Ron Atkinson talks about his latest role: the wise old owl**



SPORT



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## COLUMN ONE

### Bullying bosses make working life a living hell

A "bad bosses" hot line has been inundated with calls from professional people complaining they are being bullied. It is now the turn of the middle classes to be victimised as well as more junior and lower paid colleagues. More than one in four of calls to the hot line set up by the TUC come from managers complaining about authoritarian and unreasonable bosses. In just five days the line received almost 5,000 calls from all over the country and from people in a wide range of occupations. Some claimed that employers were trying to "cancel Christmas" by ordering them to work as normal.

One manager in a Scottish financial firm said her working day had become a "living hell". Her boss would scream at her and in turn would expect her to shout at her staff. "My boss would come out of her office and you could feel the aggression flowing from her. If she came over to you, you knew you were going to get it in the neck - it was your turn for abuse."

A teacher in a small rural school was the subject of bullying by the head and a colleague. Eventually he suffered from depression and was off sick for several months. The TUC received personal testimonies from eight sets of parents saying the teacher was the best thing that ever happened to the school.

Some four out of ten calls to the hotline were from people who felt



they were being bullied, according to a TUC report *Hard Times*. Nearly half of them were men.

A quarter of callers complained of low pay with some earning as little as £1 an hour. Some 43 per cent of those complaining about wages earned less than £2.50 an hour. It is thought that the Low Pay Commission, which will advise the Government on a national minimum wage will set a figure of around £3.50.

Security guards were among those contacting the TUC over wage levels, some of whom were earning as little as £2.25 an hour for which they were expected to work a 12-hour shift. Drivers reported being forced to work dangerously long hours.

Some callers were being prevented from taking paid annual leave and being forced to work through Christmas. A company in the north-east "cancelled Christmas" and will not allow employees time off.

John Monks (pictured), TUC general secretary, is hoping to "name and shame" some of the companies in the new year. He said calls to the hotline had revealed a "catalogue of exploitation" - low pay, long hours, job insecurity and bullying.

Barrie Clement, Labour Editor

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## PEOPLE



Love, love, love: Sir Paul and Linda McCartney embrace their daughter, Stella Photograph: Alpha

### McCartney's fear over fame for children

Sir Paul McCartney has revealed his fears for his children - that they would benefit from his famous name only to find it becoming a millstone.

But Sir Paul said that a five-fold increase in sales at the fashion house Chloe proved his daughter Stella deserved the top designer job she gained with its help earlier this year.

The former Beatle has always shunned the show-business lifestyle for his four children. But Stella, 26, stepped right into the limelight when she succeeded Karl Lagerfeld at Chloe. Sir Paul said: "I told her 'The name is terrific for getting you the job. But if you fail, that name becomes a weapon with which you will be beaten. Macca failure - you don't want the name then.' She made the choice to do it. It was her dream, it was her passion and to give her credit, she is very good at it."

Many critics said that Stella only got the job because she was his daughter, he acknowledged. "The name must have helped, because the firm obviously got extra publicity out of that. But the bottom line was, she had to deliver good clothes."

"I understand Chloe's sales have gone up five times since she has been there, so there ain't nothing wrong with that."

Stella's feminine designs have been an instant hit with fashion writers and customers alike. Sir Paul, his wife Linda and son James were at her first Chloe collection in October.

He is equally proud of the other McCartney children in their more low-profile careers.

A photo portrait by Mary, 29, has been on show at the National Portrait Gallery. Heather, 34, has exhibited her pottery and surf-mad son James, 19, is at college studying sculpture. "He's possibly thinking of getting into music," Sir Paul said approvingly. He's a good player. We have got a fairly artistic family," Sir Paul drafted in James to play guitar on his latest solo album *Flaming Pie*, and dedicated the song "Young Boy" to him.

Linda, his wife, is also gearing up to promote her expanded vegetarian food line following her recovery from breast cancer. "Linda's food is just roaring away," Sir Paul said. "She's feeling much better now."

### Pavarotti uses music to heal children of Bosnia

Luciano Pavarotti, the Italian tenor, yesterday opened a Music Centre bearing his name in the Bosnian city of Mostar.

The singer has given £2.5m from charity concerts and recordings towards the £3.5m centre which contains a concert space, recording studio, teaching rooms and music therapy wing. Work led by British music teachers has already begun on trying to "heal" Bosnian children, who underwent the traumas of the recent war, through involvement in music.

The opening of the centre, developed and run by the British charity War Child, proved a star-studded occasion yesterday.

Pavarotti flew into Mostar accompanied by Bono, the lead singer of the rock band U2, and a

hero among the Bosnian young, particularly since his recent concert in Sarajevo. They were joined by rock musician Brian Eno, playwright Sir Tom Stoppard, a patron of War Child, and globe-trotting humanitarian, Bianca Jagger.

Mostar was a major tourist and cultural centre before the war, and the biggest multi-ethnic city in former Yugoslavia. It is now a badly bombed and deeply divided city with Croats in the west and Bosnians in the east, and few adults prepared to cross the high street dividing east and west, which is still referred to as the front line. Two thousand people were killed here during the war.

Pavarotti said yesterday: "I am not a politician. I am a musician. I care about giving people a place

where they can go to enjoy themselves and to begin to live again. To the man you have to give the spirit, and when you give him the spirit you have done everything."

"Children are our most important resource and the future of our world... As musicians, we are proud that we have built for these beautiful children a haven of peace, happiness and education where they are future generations can join together to make music."

Pavarotti and War Child are determined that the music centre will provide a unifying symbol, with children from Mostar and from all of Bosnia using its facilities. The centre's recording studio was already in use yesterday with British rock band Dodgy making a new album.

— David Lister, Mostar

## UPDATE

### WELFARE

#### Abuse drives young from home

Family problems are one of the main causes of homelessness among young people, according to a survey published today. The report also challenges the view that only big cities have a problem with homelessness.

It highlights problems in three provincial areas - Lincolnshire, Crawley and Horsham in West Sussex, and South Yorkshire.

Nearly half of people aged under 25 and living on the streets said physical and other abuse, marital breakdown between parents and other family problems had forced them out of home.

The report, published by The Network, a partnership between the homeless charity Shelter and Midland Bank, found that more than 3,000 people aged between 15 and 25 who approached local agencies in the three areas of England over the last year were questioned about their problems. In Crawley and Horsham, West Sussex, 300 homeless young people sought help and 59 per cent of them blamed family breakdown on their plight.

### LEISURE

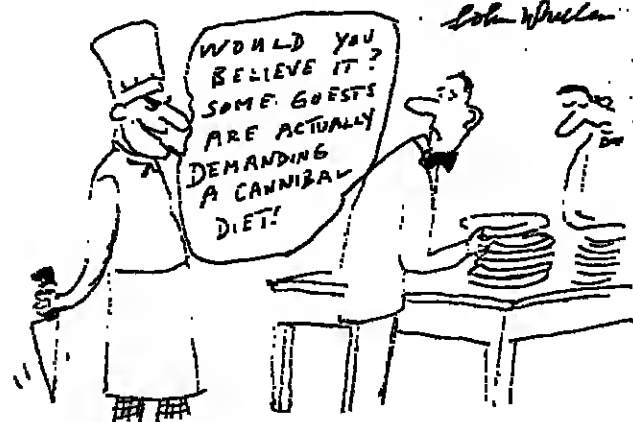
#### Guests stretch limit of hotel menus

Hotel guests make some strange demands on the managers, according to a review published yesterday. The Small Luxury Hotels of the World chain revealed that guests at an establishment in Wales said they were staunch vegetarians - then promptly asked to eat duck.

And a guest - who was clearly not counting the calories - at a Belfast hotel ordered buttered, deep-fried Mars Bar and ice cream.

Other unusual requests include an order for cheese-and-mushroom omelette with a bottle of Chateau Latour 1979, which was ordered at Amberley Castle hotel in Arundel, West Sussex. An Australian guest in the Hibernian Hotel, Dublin, ordered char-grilled ostrich with banana and shrimp; while guests wanted a rib of whale at a hotel in Normandy, France. In Tuscany, a guest asked for a mushroom salad without the mushrooms.

Management had a slightly different problem when children, aged three and five, who were staying at a hotel in Wester Ross, Scotland, played noughts and crosses with an indelible pen on the duvet cover.



### HEALTH

#### Colour warning for food freshness

New stick-on freshness testers could help cut rising rates of food poisoning. The revolutionary sticky labels change colour as goods reach their sell-by date and if storage conditions drop below ideal temperatures.

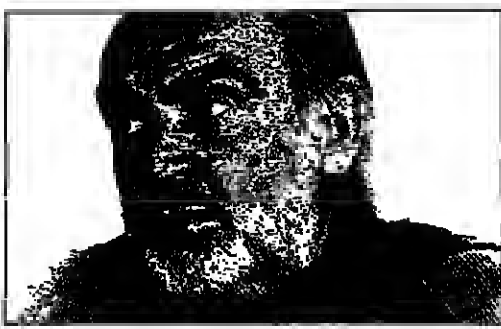
Store chiefs say the labels help them monitor food freshness while the goods are in transit and help cooks keep tabs on whether the food is safe to eat. The labels are made up of a green ring on a yellow background; the centre circle is printed with heat-sensitive ink which changes from yellow to dark green over time and with rises in temperature. By the time the centre circle becomes darker than the surrounding green ring the product should have been eaten. Tesco is trying out the labels behind the scenes and Sainsbury's has introduced them on some meats and on Rogan Josh ready meals. Both stores plan to expand the range if it proves popular with customers.

#### TOURIST RATES

Australia (dollars)	2.46	Italy (lira)	2,088
Austria (schillings)	20.07	Japan (yen)	211.78
Belgium (francs)	59.05	Malta (lira)	0.62
Canada (\$)	2.30	Netherlands (guilders)	3.22
Cyprus (pounds)	0.83	Norway (kroner)	11.76
Denmark (kroner)	10.95	Portugal (escudos)	289.53
France (francs)	9.56	Spain (pesetas)	240.93
Germany (marks)	2.86	Sweden (kroner)	12.59
Greece (drachme)	453.56	Switzerland (francs)	2.32
Hong Kong (\$)	12.48	Turkey (lira)	324,350
Ireland (punts)	1.10	USA (\$)	1.62

Source: Thomas Cook  
Rates for indicative purposes only

by Jerry Scott & Jim Borgman



### Connery may star in Lockerbie film

Sean Connery is considering making a film based on the Lockerbie disaster with himself in the role of the Scottish police chief in charge of the investigation, it emerged yesterday.

Dr Jim Swire, spokesman for the relatives of victims of the disaster, confirmed that script-writers had contacted him and his wife Jane, and approached people in Lockerbie.

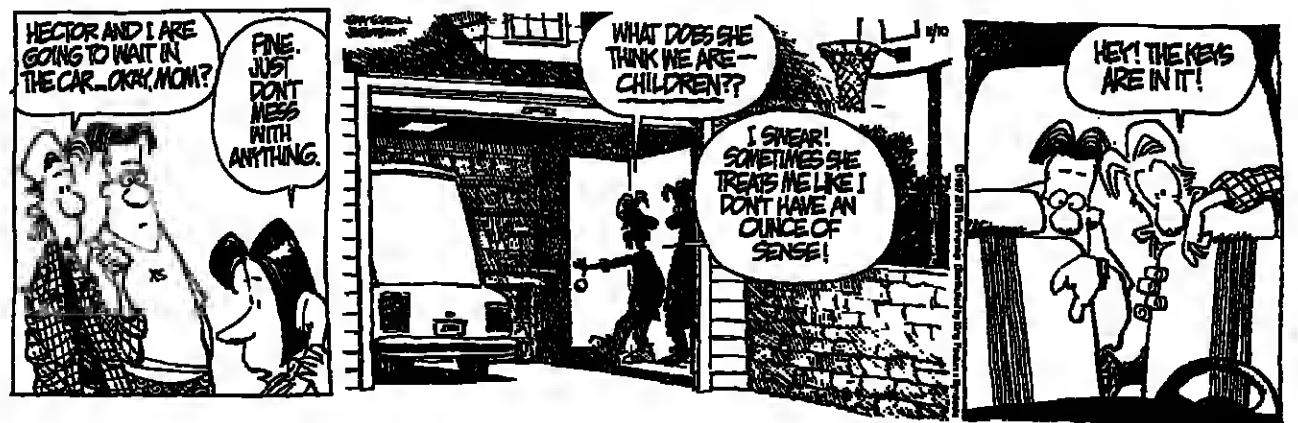
"It shows they have a responsible attitude," said Dr Swire, whose 24-year-old daughter, Flora, died in the explosion. "Although it is classed as a drama documentary, I think it may have a helping hand to play in sorting out the enigmas surrounding Lockerbie."

Connery, 66 (pictured), was said yesterday to have channelled his idea for the movie through his American-based production company, Fountainbridge Films.

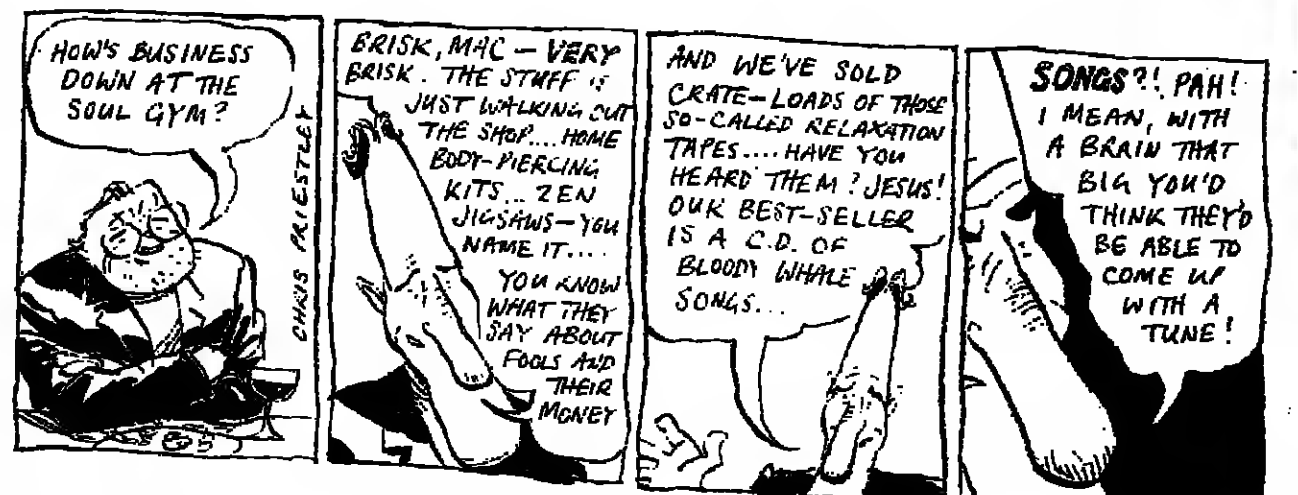
Connery is considering playing the role of John Orr, the main Lockerbie detective at the time of the investigation, who has since been appointed Chief Constable of Strathclyde Police. Dr Swire said: "Basically we feel they are doing it responsibly. I am delighted Sean Connery is backing it."

"I have always thought many of the answers about Lockerbie would come through Scotland in some way," Dr Swire said he understood the cost of such a project could be \$50-100m (£31m-£61m). Backing for the project by a star of Connery's stature could only help the chances of the film eventually being made, he added.

### ZITS

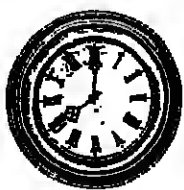


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by Chris Priestley

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# 3/CHRISTMAS TRENDS

THE INDEPENDENT  
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3

## IN THE EYE TOMORROW

**Lesley Garrett:** An interview  
**Such a cunning** with a banana:  
**little singer** Exclusive



**Wilkie Collins:**  
**The Victorians' first**  
**TV drama writer**

**Lindsay Calder:**  
**I don't want a**  
**drink, honest**

## Stores left with stocks unsold as shopping rush slows

Absence of the expected pre-Christmas spending boom has left stores with around £3bn of unsold goods. This has led to predictions of big bargains in the New Year sales. Kim Sengupta and Nigel Cope look at why stores have overstocked.

At last, on the last weekend before Christmas, stores reported that a shopping rush of sorts has started, but they admit it is too little and too late to rescue the disappointing overall sales figures.

Much of the increased trade, in fact, was due to discounts of up to 50 per cent being offered to kick-start sluggish trade. And although the upturn is expected to continue for the few remaining days, retailers admit it will not be enough to turn it into a good Christmas for them.

A new study, published by the Centre for Economics and Business Research (CEBR), says the result of all this would be the best bargains available in New Year sales since January 1994 when the country was still in the depth of recession.

The build up of excess goods has been caused, it says by over-expectation by retailers while placing their orders in the summer when spending was boosted by building society windfalls and soaring property prices.

Although the volume of sales this year has remained generally healthy, some of the "feelgood factor" has been dissipated by interest-rate rises, fears of higher taxes around the corner, and the ending of building society windfalls.

The CEBR study predicts that the discounts will boost sales in January by as much as 9 per cent to a total of £6.7bn for the month—the highest on record. But retail sales growth

will fall sharply during the rest of 1998 as the taxes and interest rates take their toll.

Professor Douglas McWilliams, of the CEBR, pointed out there had been five interest rate rises since May, as well as tax increases and uncertainty on the stock market since the autumn.

He estimates that the value of unsold goods this Christmas could be more than £1bn higher than normal at the end of the Christmas period. Added to the underlying rise in retailer stocks earlier in the year to £2.24bn, this suggests a total amount going forward to January to £3bn.

Some sectors of the market are doing better than others. Many people spent their summer windfalls on consumer durables such as electronics, and other household items, and would be unlikely to do the same now. However, other retailers like book stores are said to be having a comparatively better Christmas.

Janice Clarke, one of the authors of the CEBR report, said in January the best discounts would be in clothing, fashion, and hi-tech items such as electronics, toys and computer games.

"It's going to be a good period for bargain-hunters" she said. "Perhaps the canny shoppers should just give IOU's as Christmas presents and then go and buy them in the sales."

Retailers say this Christmas has been a "white-knuckle ride" with shoppers leaving it until the last minute. Sally Collinson, of the Oxford Street Association, said: "It certainly has not been a bumper Christmas. But trading finally seems to have taken off."

Marks & Spencer said people seemed to be leaving their shopping later and later, but it was expecting a good final few days, while John Lewis said it looked like "a practical Christmas" with sales of crockery and cutlery selling better than some clothing ranges.



Counter offensive: Punters at Brent Cross Shopping Centre, north London, yesterday. Stores say it is too late to make up for sluggish sales.

Photograph: Peter Macdiarmid

## While America draws line on seasonal spending blitz

When "Christmas" in the United States was progressively replaced by the word "holiday" (as in holiday presents, holiday cards and even holiday trees), in deference to the cluster of Jewish, black American, as well as Christian festivals at this time of year, no one surely expected that Christmas shopping would go the same way.

But with ever fewer people given a pretext not to go "holiday shopping", sales are still reported to be slack. The anticipated 5 to 7 per cent increase over November and December last year has not so far materialised. The increase looks set to be closer to 2 to 3 per cent, roughly in line with inflation.

To be sure, the Friday after the late November Thanksgiving holiday – the traditional start of seasonal shopping – saw queues forming outside the more popular department stores before the special opening time of 7am, and the shopping masses seething amid the ladeo shelves. The problem, it had emerged by the time everyone had gone back to work on Monday, was that no one had been buying very much.

The big sales notched up in the early Nineties had not been repeated. Retailers had hoped that the flourishing state of the US economy and especially the record low unemployment, might have encouraged people

to throw off their caution of the past two years and buy. Instead, they complained about the crowds, the inconvenience and the lack of bargains.

To retailers' dismay, the non-buying trend continued through December, with analysts searching for an explanation and big stores hoping their worst fear would be proved wrong: that lavish Christmas shopping is a thing of the past. More people may have work,

but those newly off social security are poorly paid: the higher-paid still fear their jobs are insecure, and a round of winter redundancies at several big companies has done nothing to reassure them. Then there is indebtedness: US households have an average credit card debt of \$7,000 (£4,500) – maybe they have reached their limit.

Some may be waiting for the January sales – but sales have become almost permanent anyway. Americans may be reluctant to pay full price for anything, but mostly they do not have to, not even in December.

What retailers dread is an irreversible shift, occasioned in part by greater prosperity, in part by the spread of credit, in part by changing attitudes. Many households have what they want already or can buy it when they need it. Christmas no longer provides an excuse.

— Mary Dejevsky, Washington

## It's all too much as Spice Girls defy rumours to take Christmas No 1 spot

The Spice Girls are not dead. Despite a rash of stories predicting the imminent demise of the band, the girls have managed to take the Christmas number one slot for the second year running.

The single, "Too Much", had emerged as the favourite last week but it was a tight race against the Teletubbies before the band managed to nudge *Say Eh-Oh!* from the top. The tribute single to Diana, Princess of Wales, by the Chicken Shed Theatre Company, only managed 15th position according to the Chart Information Network.

This is the second Christmas number one for the Spice Girls, who recently sacked their manager, Simon Fuller, amid rumours that they were getting too big for their platform. Last year they reached the top slot with "2 Become 1".

A flurry of bets on the girls were placed with William Hill and Ladbrokes just before they closed their books.

Final William Hill odds were the Spice Girls at 4/7 favourites, and the Teletubbies at 5/4, while Ladbrokes quoted 2/5 Spice

Girls and 2/1 Teletubbies. A spokesman for William Hill said the Spice Girl's number one would cost them around £100,000 but they have set the band at 10-1 favourites for next year's Christmas chart.

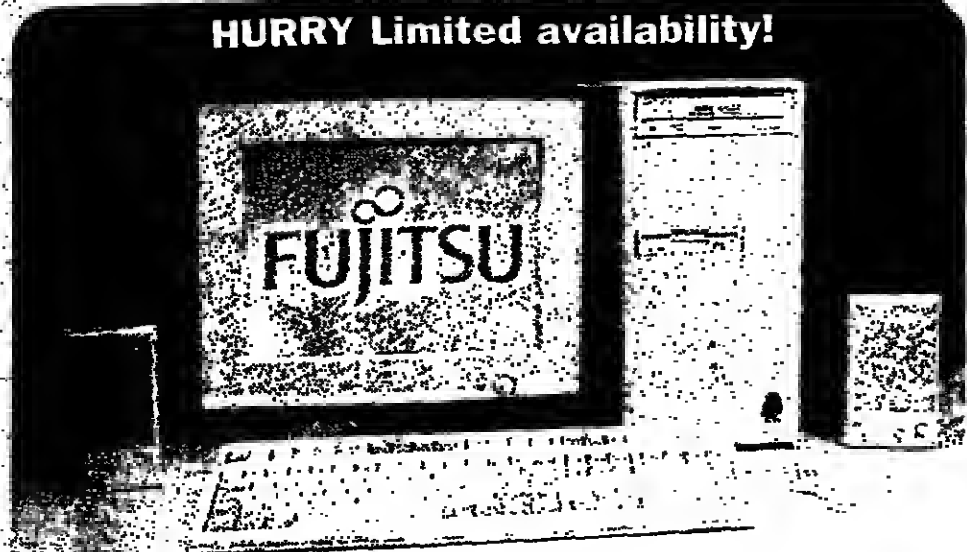
"The band are 10-1 favourites for next year. We think their bubble will have burst by then," he said. "It was a straight fight and one or the other was going to win, unfortunately it's cost us

about £100,000," he added. The BBC's "Perfect Day" reached number three. All Saints "Never Ever" number four and Janet Jackson climbed one place to number five.

— Kate Watson-Smyth

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## Pioneer takes schools to new heights

Ground-breaking policies in Birmingham are raising standards in inner city schools. First evidence of rising test and exam results in the city is good news for the Government which has used Birmingham as a blueprint for many of its initiatives. Judith Judd, Education Editor, reports.

Birmingham is the fifth most deprived district in England, according to government figures. In a quarter of its primary schools, 50 per cent or more of pupils are eligible for free school meals, the commonest yardstick for measuring educational disadvantage. Yet figures from the city's research and statistics department reveal that in this year's national test results for 11-year-olds it ranks as the third (equal) most improved local authority for English and science and the seventh for maths.

At every stage of schooling, rates of improvement in Birmingham are higher than they are nationally. They are also better than in other comparable authorities. The authority is confident that the big improvements are the result of changes put in place over the last four years under the leadership of Professor Tim Brighouse, the city's chief education officer.

Birmingham has been one of the pioneers of target-setting, now a vital part of government policy, and has encouraged all its schools to set targets to improve on previous best performance in tests and exams and to think hard about how to raise standards. The city has also introduced assessment for five-year-olds, again ahead of national plans.

Results for the city are still below the national average but if improvements continue at the present rate, seven-year-old test results will pass the national average by 1999 and those for 11-year-olds by 2000.

No one in Birmingham is complacent. School improvement is notoriously difficult to sustain. Truancy, for instance, remains a problem though there are signs that it is beginning to decline. Generally, however, the

omens are good. Professor Brighouse said: "People identify this as a campaign to improve standards in an urban area. In this city we have seen a widespread suspension of disbelief that inner-city schools can succeed."

The progress is most marked in primary schools which the city has asked to sign up to a "primary guarantee". Schools promise to bring a higher proportion of pupils up to the expected standard in maths and English as well as exploring with them experiences such as playing a musical instrument.

In return, the authority promises them enough money to do the job. For seven-year-olds over the last six years the improvement in national test results for those reaching the expected standard is 9 percentage points in English (national figure 2) and 20 percentage points in maths (national 12). For 11-year-olds between last year and this it is 11 percentage points in English compared with a national average of 6, and 10 points in maths compared with a national average of 8. At GCSE the improvement over the last five years is 5 percentage points compared with a national average of 2, which is the same as that for comparable authorities.

Professor Brighouse said the results had been achieved by both large and tiny interventions. Schools have not been compelled to accept any of these but they have been enthusiastically encouraged to do so. Professor Brighouse said: "There is moral pressure to take on baseline testing and the primary guarantee but there are a lot of other initiatives that schools can either take or leave."

One of the biggest battles was to convince heads that they could do better: originally some set lower targets for the future on the grounds that next year's pupils were "not as clever". Dozens of meetings have been held to explain the school improvement strategy to heads from the 450 schools.

The tiny interventions include tips to help schools learn from each other and thousands of personal letters which Professor Brighouse has written to teachers whom his advisers tell him are doing a good job.

Schools are grouped according to their intakes so that those with similar types of pupils can see how they are doing.



Great expectations: A pupil at Yardleys school in Birmingham tends the memorial garden with a teacher

Photograph: News Team

## Island of learning in the tarmac jungle

Yardleys comprehensive school is in one of the most deprived parts of Birmingham. It has two sites half a mile apart in the middle of what Heather Jones, the head, calls a tarmac jungle. Traffic roars along the main road past the windswept corner where one building stands.

But inside the gates is a different world. There is a garden created in memory of a 12-year-old pupil who died last year and a pergola and trellis built by girls from the school.

Yardleys' "environment enhancement leaders", known as eels, are always on the lookout for ways to improve the environment and even spend time in local primary schools recruiting young eels. Their work is not just an enjoyable extra but a symbol of the school's belief that, despite its unpromising surroundings, its expectations must be as high as any in the land.

Nearly half its 900 pupils have free school meals, compared with about a fifth nationally, and 65 per cent come from ethnic minority groups. Yet in November it was named by the Government as one of the country's most improved schools - its GCSE results have improved every year for the last four years. The proportion of pupils gaining five or more GCSEs at grades A-C has risen by 17 percentage points to 33 per cent during that time.

Mrs Jones, who began her career at the school 10 years ago by painting over the graffiti on the lavatory walls, is committed to Birmingham council's policy of target-setting as part of a host of initiatives for raising standards. She describes the leadership of Professor Tim Brighouse, the chief education officer, as "inspirational". "The idea of improving on our previous best underpins everything that we do."

For year seven pupils that means one time-tabled lesson a week on learning techniques such as memory and speed reading which are taught in the city's University of the First Age, the summer holiday activity offering extra tuition to 11-year-olds throughout the city. Heads of departments set targets and different subjects are analysed to compare performance. Older pupils have their own targets which they help to set. Teachers "adopt" three or four borderline pupils to give them extra help with their work and older pupils help younger ones.

The success-maker programme has been used to improve literacy and numeracy through computers. There are revision courses and facilities for pupils to do homework every night after school. Mrs Jones hands out a tape of baroque music for pupils to play while they revise. She says she is prepared to try most things to improve attendance in an area where pupils are sometimes kept at home to act as interpreters for their parents.

There are raffles with prizes for those with 100 per cent attendance, attendance certificates and a competition to be "form of the week" for attendance. Mrs Jones herself drives everything forward. "Go for it. Make it happen, I tell them. They know I believe it."

— Judith Judd

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Division exposed: David Blunkett is 'disturbed' by some of the plans formulated by his colleague, Harriet Harman

Photograph: Bill Rowntree

## Blunkett's disquiet revealed by leak

A leaked memo from David Blunkett to Gordon Brown raised the political temperature yesterday in a growing row over benefit reforms.

Deep cuts in disability benefits across the board "would make a mockery of our professions on social exclusion and the construction of a more just society," he wrote. Under the Conservatives, Labour figures have argued, many people went on to Incapacity Benefit when they should really have been on unemployment benefits. One million people drew the benefit in 1979, compared with two million today.

He would welcome "humane and sensitively-judged reforms to support disabled people to work," he said, but added that some of the interim findings of Harriet Harman's part of the comprehensive spending review disturbed him.

Deep cuts in disability benefits across the board "would make a mockery of our professions on social exclusion and the construction of a more just society," he wrote. Under the Conservatives, Labour figures have argued, many people went on to Incapacity Benefit when they should really have been on unemployment benefits. One million people drew the benefit in 1979, compared with two million today.

Mr Blunkett recognised this in his letter, suggesting that more generous payments to people on IB were an incentive to fraud. In particular, an existing test in which people had to show they were incapable of any work encouraged those who might be able to do part-time or voluntary jobs to pretend they were more disabled than they really were.

Even if extra flexibility cost money - that is to say, if it meant even more partially-disabled people going on to IB - that should be seen as an investment in welfare to work.

New Deal cash for the long-term sick and disabled, totalling £195m, would be used by the DSS and DfEE to experiment with different schemes.

However, plans to tax or means-test Disability Living Allowance would be inappropriate, the Secretary of State for Education and Employment wrote. This would create disincentives to people to

work and save money, he argued.

The other major area of reform tackled in the letter was the allowance, which is paid according to level of disability rather than income. Mr Blunkett himself is entitled to DLA because of his blindness, despite his ministerial salary. In his letter he said about 12 per cent of the £4.4bn annual cost of the allowance, which has quadrupled since 1993, was "misapplied".

The proposal that provoked the strongest rejection from Mr Blunkett, though, was a suggestion that the DLA should be handed over to local authorities. The disabled were a "weak political constituency" and would lose their benefits to schools and hospitals, he said.

Capping of local authorities would make the problem worse, and any moves to tighten the caps would mean inadequate support for the disabled.

"Disabled people will be victims of the lottery of local authority discretion," Mr Blunkett wrote.

He was also unhappy about some of the plans to reform Industrial Injuries Benefit. While he supported moves to make employers insure themselves against injuries, "no-fault" schemes could lead to sloppiness over health and safety.

However, abolishing industrial injuries benefits for existing claimants would be "unacceptable politically". Mr Blunkett said the Chief Whip, Nick Brown, would have to make a judgement on whether such a move could be pushed through the Commons, and on whether it would be worth risking another major backbench rebellion to do so.

## Whistle-blower's identity a mystery

David Blunkett went on the offensive yesterday to deny any involvement in the leaking of his memo to Gordon Brown. The memo was written a fortnight ago, on the eve of a Commons vote on plans to curtail lone parents' benefits, and if Mr Blunkett had chosen to leak it he might have been expected to have done it sooner.

Copies were sent to the Prime Minister, Harriet Harman, John Prescott, Alistair Darling, Donald Dewar, Ron Davies and Mo Mowlam, so there could be any number of suspects. The number with access to Mr Blunkett's memo were certainly in double if not treble figures.

"I am extremely uncomfortable with a system which results in my private memoranda to cabinet colleagues being leaked to the papers. If there's a lesson... it's not that we don't have vigorous debate or that we don't present to each other what we think, it's that we don't do it in writing," Mr Blunkett said.

able with a system which results in my private memoranda to cabinet colleagues being leaked to the papers. If there's a lesson... it's not that we don't have vigorous debate or that we don't present to each other what we think, it's that we don't do it in writing," Mr Blunkett said.

Yesterday a sceptic said leaking the memo might not do Mr Blunkett any harm politically. Despite his alliance with Tony Blair and high-profile agenda on raising schools standards, he has maintained some support from the old left in his party. The revelation that he has protested against the suggestion that disability benefits should be cut across the board will strengthen those links. — Fran Abrams

## Lords face radical shake-up

Tony Blair has set up a special Cabinet committee to look at replacing the House of Lords with an elected second chamber, it emerged yesterday. The move would take the Government far further than its manifesto pledge to remove voting rights from hereditary peers.

Although the Prime Minister is said to be keeping an open mind on how best to achieve his reforms, both the leader of the House of Lords, Lord Richard, and the Foreign Secretary, Robin Cook, are said to be in favour of the radical option.

They want to go for full-scale reform straight away, rather than taking the more cautious approach of removing voting rights in the next session of Parliament and then proposing an elected chamber after the next election.

Lord Richard has proposed that two thirds of the second chamber's members should be directly elected, while the rest should be appointed in the same way as life peers. Elected members would sit for a fixed term, on a cycle designed not to clash with general elections.

Mr Blair's new cabinet committee will be chaired by Lord Irvine, the Lord Chancellor, and will include Lord Richard, Jack Straw, the Home Secretary and Peter Mandelson, minister without portfolio.

A Bill to remove hereditary peers' voting rights will be introduced in November next year, but there are moves to introduce fuller reforms at the same time. Some MPs would oppose the idea of an elected chamber, seeing it as a potential rival to the Commons.

Mr Blair's most likely course of action will be to delay the second part of the reform, putting forward proposals now but postponing their implementation until later.

At present, there are 499 Tory peers, 326 of whom are hereditary, and 158 Labour peers, 15 hereditary. The Liberal Democrats have 66, of which 23 are hereditary, and there are 325 cross-benchers, 205 of whom are hereditary. The Conservatives have not decided exactly what line to take on the issue, but a number of them will certainly oppose any proposals for reform.

— Fran Abrams, Political Correspondent  
Leading article, page 12



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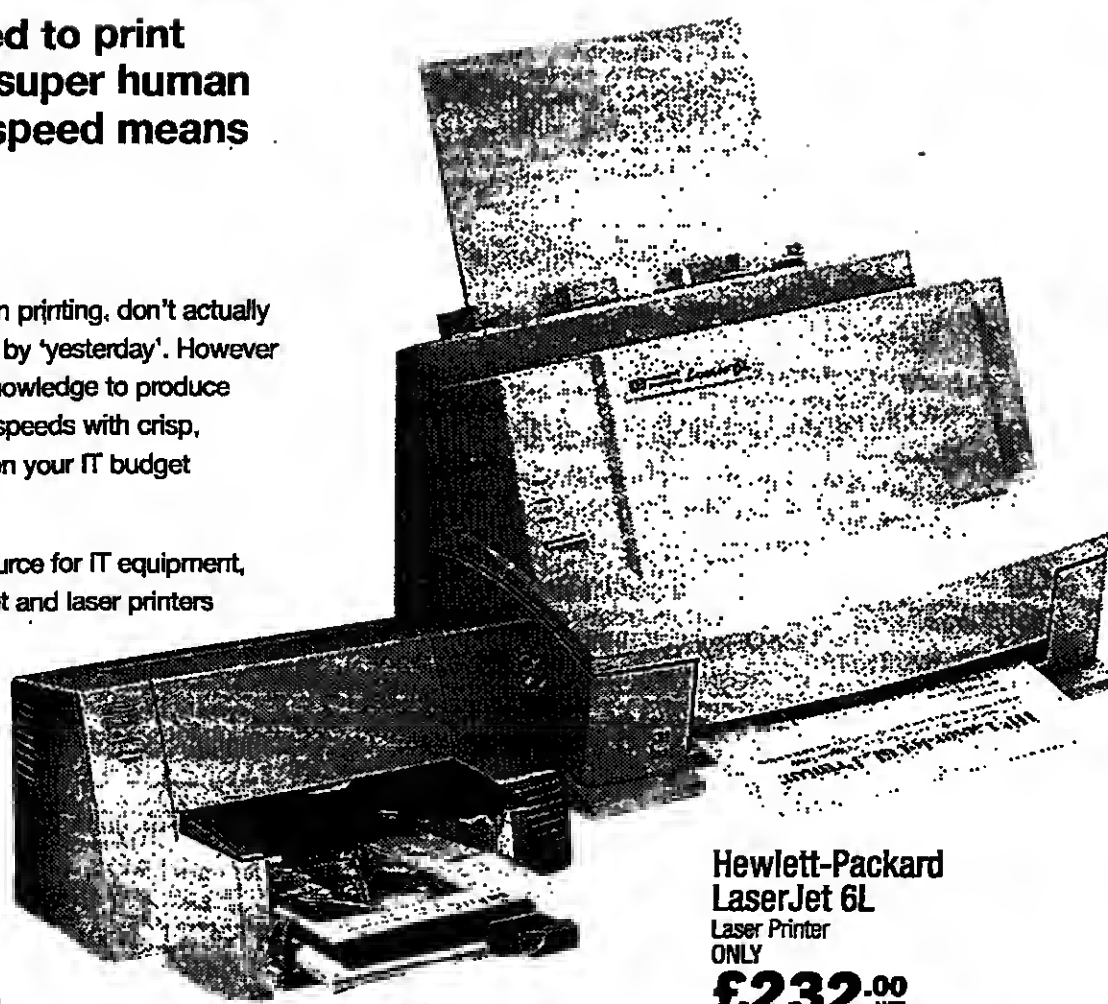
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## Airlines swoop on railways' passengers

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Cheapest fares and flight times for journeys by rail and air. These show how the airports are from city centres.

**London - Edinburgh**

Mode	Price	Time
RAIL	£19 single	4 hours
GNER (King's Cross)	£19 single	4 hours
AIR	£29 single	1 hour
EASYJET (Luton)	£29 single	1 hour

**London - Newcastle**

Mode	Price	Time
RAIL	£29 return	45 mins
GNER (King's Cross)	£29 return	45 mins
AIR	£85 return	1 hour
EASYJET (Luton)	£85 return	1 hour

**London - Leeds**

Mode	Price	Time
RAIL	£30 return	2.5 hours
Midland Mainline (St Pancras)	£30 return	2.5 hours
AIR	£89 return	45 mins
BA (Gatwick)	£89 return	45 mins

**London - Manchester**

Mode	Price	Time
RAIL	£19 return	2.5 hours
Virgin (Euston)	£19 return	2.5 hours
AIR	£85 return	55 mins
Air UK (Gatwick)	£85 return	55 mins

**Maps:**  
- London: Heathrow, Gatwick, Luton, Stansted, City, Euston, King's Cross, St Pancras.  
- Manchester: Manchester city centre, Piccadilly Station, Airport.  
- Newcastle: Newcastle-upon-Tyne city centre, Central Station, Airport.  
- Leeds: Leeds city centre, City Station, Airport.  
- Edinburgh: Edinburgh city centre, Station, Airport.

GRAPHIC: KRISTINA FERRIS

Letting the nation's train set fall into private hands was supposed to lead to a rail renaissance. But Randeep Ramesh, Transport Correspondent, explains why more people might prefer to let a plane take the strain.

The war for rail passengers has taken to the skies. Airlines are targeting domestic routes which have been considered the preserve of the railways - forcing down fares on both.

British Midland recently announced it would start flying from Heathrow to Manchester next year in competition with Virgin Trains' "indifferent" rail service.

EasyJet, the low-cost, no-frills carrier, sparked a price war with Great North Eastern Railways (GNER) - the operator of the east coast service - which saw a single rail ticket from London to Edinburgh drop to just £19.

Experts say that a three-hour rail journey can compete with an hour's flying time.

"With airports you need to drive, park and then spend half-an-hour checking in, and then spend time getting from the airport into the city at the other end," says Alex McWhir-



Grounded: Trains and aircraft both avoid the most time-consuming drawback of modern travel - the traffic jam

ter, technical editor of *Business Travel*. "With rail you leave a city centre and arrive in one."

Airlines are aware that rail companies need to increase passenger numbers rapidly, in order to make money. Many air travel companies are preparing more

skirmishes with the railways. "Journeys less than 250 miles are considered the railways', but that still leaves London to Leeds and London to Teeside - which we would like to operate," says Sir Michael Bishop, chairman of British Midland.

Virgin Trains remains sceptical of the airline's chances. "On our London to Manchester route we have seen a 16 per cent increase in passengers. And, when we get the billion pound upgrade in, that will see trains reaching Manchester

(from London) in 1 hour and 45 minutes." However, these record times are some way off.

The "tilting train" fleet, as well as the £2.1bn worth of track and signalling improvements to Virgin's west-coast service, will not reduce travelling times

until 2002. Sir Michael claims that while the west coast is being improved, the service will suffer.

"I lived in Manchester during the Sixties - when the west coast was last upgraded - and the line was speed-restricted because of the work."

Train companies point to the European experience. When the X2000 tilting train was introduced on the route between Gothenburg and Stockholm it reduced the travelling time to just three hours. It also wiped out the air market, forcing the domestic airline to cut its services by 70 per cent.

But the battle is not just about journey times.

Airports have much bigger catchment areas than rail stations. Experts point out that travellers living in Brighton are more likely to drive to Gatwick and catch a plane than take a train into London for Heathrow.

Rail operators are developing plans to increase the area they serve. GNER, which runs trains from London to Scotland, is looking to set up "parkway" stations on the M25 which would allow passengers to leave their vehicles in vast car parks and take the train north.

"We do very well against the airlines going south from, say, Newcastle," says Chris Garnett, managing director of GNER. "But not so well the other way."

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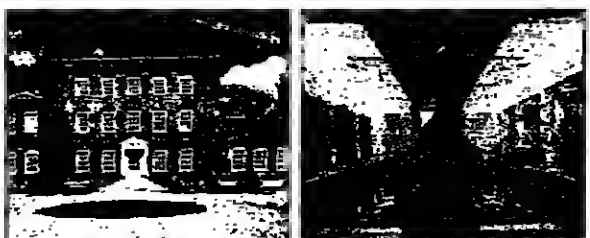
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## Reopened rail line could relieve M40

A rail line closed to passengers for 40 years could re-open. The £3m scheme would create a new station at Aston Rowant in Oxfordshire - close to junction six on the M40 between Birmingham and London, which is being badly affected by delays caused by long-term roadworks.

If plans succeed, Chiltern Railways would provide half-hourly weekday services between Aston Rowant and Marylebone station in London.

At present, a preservation association runs weekend steam and diesel trains between Princes Risborough in Buckinghamshire and Chinnor in Oxfordshire.

The association's deal with Chiltern would involve Chiltern's

holding company, M40 Trains, extending the track between Chinnor and Aston Rowant.

Chiltern could then operate 50-minute journeys from Aston Rowant to Marylebone via Princes Risborough and High Wycombe, while the association would have an extended line to operate on at weekends.

"Trains could be running in two to three years," said a Chiltern spokeswoman.

Adrian Shooter, Chiltern's managing director added: "We believe this innovative scheme would offer real customer benefits to local people, both in terms of providing a service that has not been available for the last 40 years and in terms of helping reduce traffic on our crowded motorways."

## Air delays 'glitch'

Passengers travelling to India were stranded at London's Heathrow airport for 48 hours because their Air India flights were heavily overbooked.

The airline blamed a "glitch in the system" for too many tickets being sold for the flights, and 62 passengers having to stay at a hotel.

The problem began on Friday when travellers arrived at Heathrow with confirmed tickets for the flight to Bombay to discover there were not enough seats on the plane.

Ticketholders stayed at a hotel with the promise of flight on Saturday. But that too was overbooked and the prob-

lem worsened when the same scene was replayed yesterday with more travellers joining the list of the stranded.

One woman failed to get to her daughter's wedding today despite trying to board a flight with her scheduled ticket for three successive days. Others had their plans badly disrupted as onward connecting flights were missed.

An Air India official said the stranded passengers would be put on a flight today: "We do have problems at Christmas, but this was an unfortunate situation... We have apologised to the passengers".

— Kim Sengupta



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## Stadium politics as Premiers kick-start talks

It was an unlikely setting for a meeting between two heads of government. But, as David McKitterick, Ireland Correspondent, records, after watching the football at St James' Park, Tony Blair and the Irish Premier, Bertie Ahern, discussed the peace process.

The two men met for about 45 minutes following the Premiership match between Manchester United and Newcastle.

The conversation centred mainly around the issue of the loyalist prisoners, which is threatening the peace process. Mr Ahern urged Mr Blair to consider the early release of both republican and loyalist prisoners, a tactic which he believes will underpin the ceasefires maintained by both the IRA and the Protestant paramilitaries.

Mr Ahern said: "The failure to release them is obviously putting pressure on loyalist politicians." But Mr Blair signalled no intention of a change in the British position. Irish sources said afterwards. The two men also examined ways of advancing the peace initiative in the New Year.

The post-soccer meeting took place against a backdrop of concern in both governments about the lack of progress in the Stormont multi-party talks, with some signs of disaffection in both the republican and loyalist camps.

While few believe that either the talks process or the ceasefires are in danger of breakdown, debate continues on whether Duhlin and London have been getting the

balance right on the "confidence-building" measures they deploy to reassure opinion in the two communities.

On the one hand, Unionists complain that London is in the business of appeasing republicans with what they describe as a stream of concessions on prisoners and other issues. Republicans, however, protest that the British move too slowly.

The most immediate point of concern centres on threats from the Progressive Unionist Party to withdraw from the talks process. The Secretary of State for Northern Ireland, Mo Mowlam, is to meet party representatives in Belfast today. The party is small but strategically important in that it speaks for the paramilitary Ulster Volunteer Force, and has in recent years been enthusiastic about leaving paramilitarism behind and embracing politics.

Now the party complains that its concerns, in particular about loyalist prisoners, have been neglected. Its spokesman, Billy Hutchinson, said at the weekend: "The British government have courted the IRA, they have bent over backwards and they have not done anything for us. I don't think there is any point going further in this process because Mo Mowlam will not create a level playing field."

The DUP took particular exception to Friday's releases of nine republican prisoners in the Republic of Ireland. The Irish government's view is that such releases can help stabilise the ceasefires, and that similar moves should be made in Northern Ireland. The releases mean that since 16 July, have been released before the end of their sentences. A further 30 remain in prison in the Republic.



## Young Blair recedes into the past

Tony Blair in March ...



... and on Saturday

Are the trials and burdens of office starting to take their toll on the Prime Minister? These pictures taken on March, just before the election, and on Saturday, show that the last nine months have been long and hard for Tony Blair.

He is looking older and greyer and a new haircut has not helped. The youthful look, which voters were said to have found so engaging, appears to be waning. It could be said, of course, that Mr Blair has acquired the *gravitas* befitting an international statesman. But others, including some Labour MPs, say he is looking tired after a full and sometimes troublesome political calendar.

The quiff is pruned, showing signs of recession on the forehead, and the trimmed sides reveal touches of grey. Particularly noticeable at Question Time is a "helicopter pad" of bald patch on the crown.

Mr Blair's image and the fortunes of his hair, in particular, has been closely charted by the media, and in turn monitored by Labour's spin doctors. At the party conference in Blackpool last year, one

aid saw the leader's tresses flying in the air and frantically sent a pager message to a colleague "Du something about the hair".

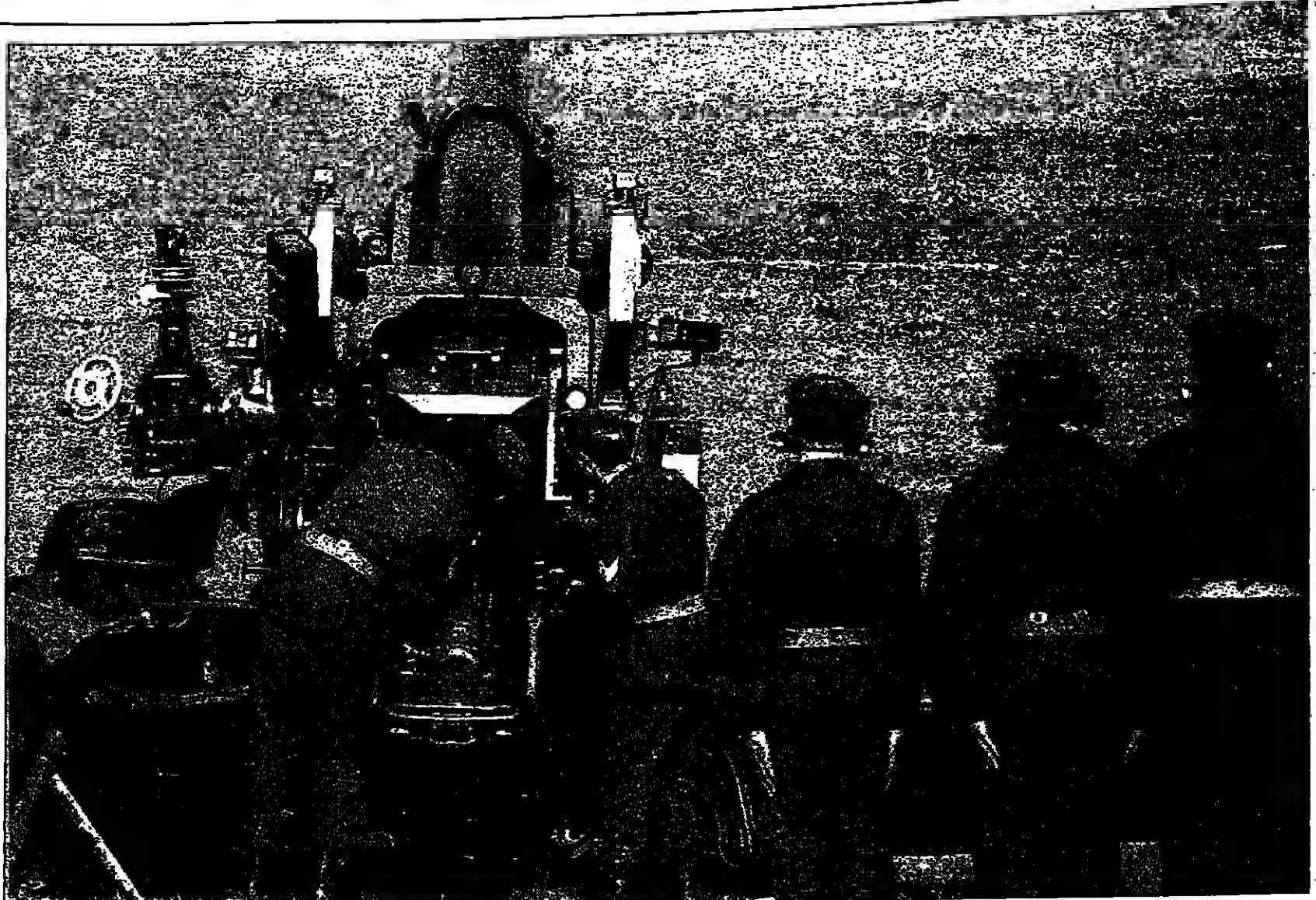
Two months later, the *Financial Times* incurred Millbank's wrath after claims that the then Leader of the Opposition had been smooching down his bouffant hair to raise his appeal with female voters.

Party spokespeople condemned the report as "pathetic and untrue". Mr Blair's own response was "My problem is not changing my hair, it's keeping it".

What do the Tories make of Mr Blair's current image? One of John Major's former aides said: "I am not surprised he looks tired with all the interesting questions being asked about Geoffrey Robinson, and social security benefits, and Formula One and smoking."

"But when it comes to hair we are on dodgy grounds. John Major could have taken Blair on easily, but William Hague does suffer deeply himself in the follically-challenged department".

— Kim Sengupta



Sounds like trouble: Thousands of Irish soldiers have settled for amounts averaging £21,000 for being deafened by the noise of gunfire

## Soldiers turn deaf ear to financial advantage

The Dublin government is facing huge bills as it deals with an avalanche of compensation claims taken by Irish soldiers who claim their hearing has been damaged by the noise of gunfire.

The sums involved are troubling even for a state rendered cash-rich by the extraordinary economic boom of recent years. One prediction of the final bill is £350m, though there is a "doomsday scenario" estimate that it could reach £2bn.

The fact that a thousand cases have already been settled for amounts averaging £22,000 has led to a tidal wave of new claims. Ten thousand have now been lodged by one-quarter of all serving personnel, together with many former soldiers. They are still pouring in at the rate of more than one hundred a week, forcing the authorities to detail 80 staff to work full-time on the issue.

The net result has been a bonanza for military men and lawyers and heated debate on how many of the claims might be falsified. It has also produced a wave of criticism and ridicule of the Irish military for allegedly cashing in on what many regard as an occupational hazard.

A letter to one newspaper said: "Imagine what sport Gilbert and Sullivan would

have had with the farcical notion of an allegedly deaf army suing the Crown, and the even more farcical notion of the Crown paying up." A left-wing politician commented wryly that the military had discovered "an instrument of redistribution of wealth not yet heard of in any other countries".

The chairman of the Dail's public accounts committee, Jim Mitchell, declared:

BY DAVID MCKITTERICK

"Let's be blunt about this. Anybody who thinks this is not a scam must be blind. We are a laughing stock among defence forces around the world." The ministry of defence ascribed the phenomenon, in more measured terms, to "a very litigious society, no accepted measurement system for high-tone hearing loss and a very generous judiciary".

The military personnel involved, however, say the cases arise from official negligence and real hearing damage. Since 1987, troops exposed to the noise of artillery, tanks and so on have been issued

with modern ear protection which reduces the sound of gunfire while still allowing orders to be heard.

Prior to that, however, aural safeguards were rather more primitive. In 1952 a force order recommended the use of cotton wool; nine years later another order upgraded this to cotton wool "moistened with a little soft Vaseline". Plastic earplugs arrived in 1972.

ed an advertisement in the paper inducing them to make a claim.

The measurement of the alleged handicap is another source of contention. A defence department witness told the public accounts committee that some with perfect hearing for their age were receiving up to £45,000 in court awards, saying they would not qualify for compensation in the United Kingdom or the United States. It has been reported that by the standards of the British army, only 10 per cent of claimants could expect compensation. The government is urgently trying to establish an agreed assessment system.

Senior military men have reacted to allegations of a widespread scam in what might be termed an over-defensive manner. One took grave exception to a sarcastic column in the *Irish Times*, responding that the "slights and cheap jibes on the legal profession can only be viewed as an attack on the very fundamentals of democracy as enshrined in our Constitution".

In the meantime, the Irish government is trying to staunch the outflow of public money which the defence minister as described as "a juggernaut careering down a hill with no brakes and preparing to run over the ordinary taxpayer".

## Three from same family killed in cycling tragedy

A family has been devastated after a triple road accident led to the deaths of two brothers and their brother-in-law. Seven sons and daughters, from toddler-age to adult, lost their fathers after three cyclists were in collision with a car on Saturday night.

The crash happened in misty, wet and dark conditions on the fast and unlit A193 in Blyth, Northumberland, at 5.30pm.

Henry Bryan Harrison, 38, his brother Alan Harrison, 33, both of Blyth, and their brother-in-law Donald Arthur Smith, 49, also from the town, all died in the collision involving a white Ford Mondeo. The driver was being questioned by police yesterday.

Henry Harrison, known by his middle name, Bryan, was the father of an eight-year-old boy, David. A former bus driver

and mechanic, he gave up his job to raise his son as a divorced lone parent.

Alan Harrison was the father of a five-month-old daughter, Jessica. He was bringing her up with his wife of eight years, Clare. He was a plumber, but had recently gained a degree and qualified as a chartered surveyor.

Donald Smith was married to the brothers' sister, Elizabeth, and they had three children. Elaine, 25, Steven, 23, and 17-year-old Katherine, who is expecting her first child. He also had two children by a previous marriage.

The one surviving cyclist from the crash, Ray Walls, 25, suffered a broken leg and was treated at the Wansbeck General Hospital, in Northumberland.

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THE INDEPENDENT

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## Retired

Former members of the British Army, who were recruited by the British Government to fight in the Falkland Islands, are now being offered a new role. As part of the Falkland Islands' peace process, the British Government is offering a new role to former members of the British Army who were recruited by the British Government to fight in the Falkland Islands. The new role is to be a peacekeeper in the Falkland Islands. The British Government is offering a new role to former members of the British Army who were recruited by the British Government to fight in the Falkland Islands. The new role is to be a peacekeeper in the Falkland Islands.

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# 9/GURKHA REVOLT

THE INDEPENDENT  
MONDAY 22 DECEMBER 1997  
9

## Retired soldiers grow militant over pension levels

Former members of the Gurkhas, the Nepalese soldiers recruited by the British army, are planning to take the British government to court in their fight for better pensions. As Prince Charles prepares to visit Nepal, the Gurkhas' anger is intensifying and has resulted in a mutiny. Our correspondent reports from Kathmandu.

It was announced last week that the Prince of Wales will pay an official visit to Nepal in February. The way things are going in Kathmandu, he will be flying into trouble.

Prince Charles is Colonel-in-Chief of the Gurkhas, the legendary but rapidly shrinking fighting force famous, in the words of the First World War British Gurkha officer Sir Ralph Turner, for being "indomitable, uncompaining, unwavering". But now they are complaining mightily about their pensions, and in a mood to do something drastic about them.

While they serve in the British Army, Gurkhas are paid essentially the same as British soldiers - a minimum of £800 per month. On retirement, however, which for Gurkhas (unless they have done something very wrong) comes after a minimum of 15 years, they get a pension of only £25 per month - far less than British soldiers, who after 22 years, if they managed to stay in that long, would retire on half-pay.

The British government's legal justification for this differential is the Tripartite Agreement signed by Britain, India and Nepal in 1947, following India's independence. Gurkhas also serve in the Indian Army, and at that time, to prevent a surge of Nepalese applicants out of the Indian Army and into the British, pension rates for Gurkhas in both British and Indian forces were pegged at the same level. And so it remains today. Some 50,000 Gurkhas serve in the Indian Army today, compared with 3,400 in the British forces. The pay in the two forces is wildly different, but pensions are comparable.

In Kathmandu the chairman of the Nepal Ex-Servicemen's Association (Nesa), Major Dipak Bahadur Gurung, has been campaigning doggedly for a raise in pensions for five years. To date he has had no suc-



Cause for complaint: When serving, Gurkhas are paid about the same as British soldiers, but on retirement, they get a pension of only £25 month. Photograph: Jon Garthwaite, Royal Navy

cess, and now his association has split in two, with the far more militant Gurkha Army Ex-Servicemen's Organisation (Gaeso), largely representing riflemen and NCOs, now demanding absolute parity with their British counterparts. They have held demonstrations drawing up to 6,000 people. They are also alleged to have been behind a mutiny in Brunei on 23 March in which the two British commanding officers of the Sultan

Major Dipak Gurung, head of the more moderate Nesa, says that the Gurkhas' grievances are well founded. "The Tripartite Agreement was justifiable 50 years ago, but now it's out of date," he said. "When a Gurkha leaves the army it is like sending a person from heaven to hell. We are spoiled in Britain. We get used to drinking beer, whisky and brandy."

"But when people are retired it's very different. You see the older retirees up in the hills, they're walking around without shoes, making a few rupees carrying loads, eating meat only twice a year."

But although the ex-British Gurkhas in Nepal would seem to be split between the moderately bitter and the extremely bitter, a highly placed British diplomatic source believes that many Gurkhas take a longer view.

"Many of them see that the future of the British Gurkhas is at stake," he said. "The regiment has shrunk from 16,000 in the late Fifties to 3,400 today. They realise that if the Gurkhas are seen to be too expensive, the British government might cut them back even further."

"The reason for Nepalese joining the British Army is the pay. A lot of the money comes back here to support extended families. Some see that risking

the regiment's future would not be in the interest of their families."

The apparently miserly pension provision is eked out by money raised by the Gurkha

Welfare Fund, a charity, which in 1997 spent £3.2m in Nepal on helping older retired Gurkhas and their families, giving medical provision at centres dotted round the country, building

bridges and contributing to water supply projects.

On the face of it, the Government's pension policy seems unfair, if not racist. In Nepal, however, where the cost of liv-

ing is minuscule compared to Britain, enthusiasm for the Gurkhas' case is harder to detect among non-Gurkhas than even for the rates they earn while serving. Any Gurkha sol-

dier with a modicum of prudence should, over the course of 15 years, be able to salt away thousands of pounds for his retirement (unless his extended family spends it all first).

Major Dipak Gurung is obviously not an average case, but in retirement, according to his business card, he is head of Nepal Real Estate, Gandaki Noodles, and Gurkha Manpower International. His son went to a public school, Ardingly, in Sussex, and is now at a foreign university.

As a senior officer who has done his time at Buckingham Palace, Major Gurung couches his association's demands respectfully. "We would be very grateful if we were paid on par with our British counterparts," he says. His rivals, however, are in no mood for nice manners. They look at Singapore, and see Gurkhas in the forces there being paid pensions which are the same as native Singaporean soldiers. They are in no mood to back down. Prince Charles will need all his new-found charm to bring them round.

BY PETER POPHAM

of Brunei's private force were captured and held at gunpoint by their own men. As a result of that incident, 11 soldiers who were members of Gaeso were discharged from the force.

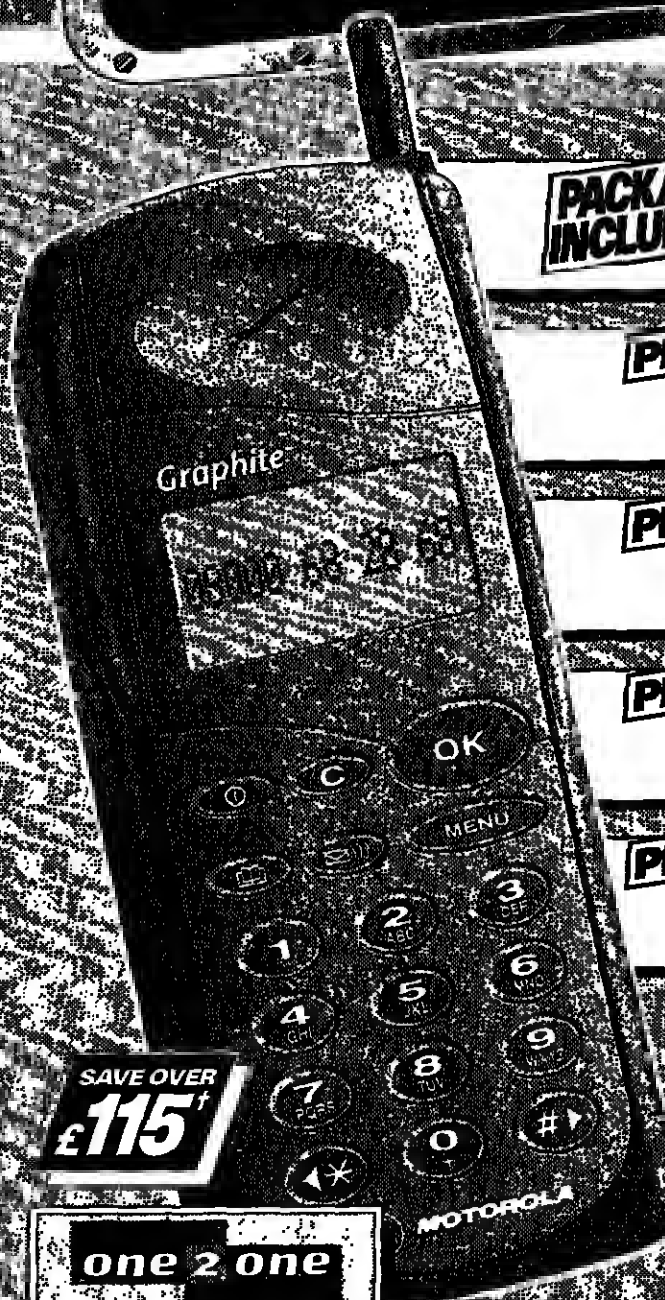
In an attempt to raise the stakes further, on 18 December Gaeso declared its intention to sue the British government. In a statement released in Nepal, they said: "We have already submitted a memo with our four-point demand to the new prime minister. If nothing comes of it, we will soon be filing a law suit." They intend to sue under the British Army Act and the Race Relations Act.

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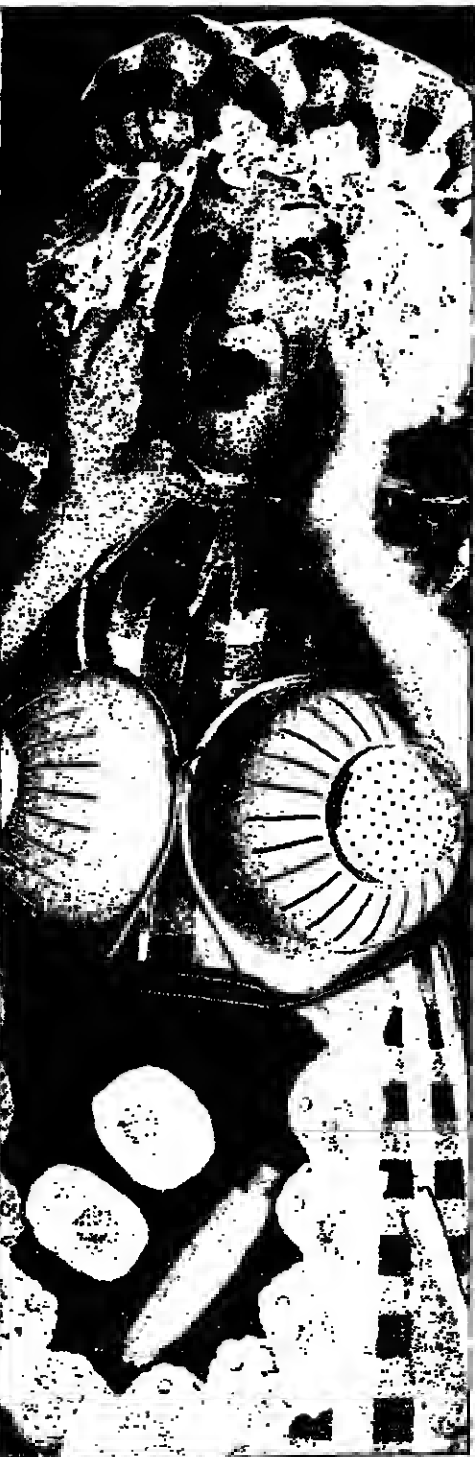
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## Serbia's presidential poll haunted by phantom politics

Serbs were invited to vote for a president yesterday for the fourth time in two months. But apathy once again threatened to nullify the result. **Andrew Gumbel describes the growing desperation of a country where politics is logjammed and the economy is in tatters.**

thinking that Mr Milosevic's man might not be so bad after all. That leaves two possible outcomes – another iniquitous election, with yet another repeat slated for February, or victory for Mr Milutinovic.

Either way, the real master of ceremonies will remain Mr Milosevic. Although his party, the SPS, no longer commands a majority in parliament, he seems to be having no trouble manipulating the political scene just as surely as he did when he was the openly autocratic ruler

now all they concentrate on is surviving," observed one Belgrade writer. Wages are frozen, state salaries and pensions are several months in arrears, and the currency is forever losing ground against the German mark, but prices continue to soar. The economy has effectively collapsed and the only question is the extent of the disaster.

Factories are bumping along at 10 or 20 per cent of capacity. Since the international community has maintained its "outer wall" of sanctions against Serbia and Montenegro, denying the two republics access to international credit lines, outside investment cannot arrive. When Mr Milosevic travelled to China and Russia recently, in his new role as president of federal Yugoslavia, much was made on state television of the trade deals he signed. But these were no more than barter arrangements, with Serbia effectively begging for essential imports in exchange for oil and gas supplies it is barely capable of providing.

The international community has maintained a two-edged attitude to Serbia: on the one hand looking to Mr Milosevic as a guarantor of the Dayton peace process in Bosnia, and on the other keeping up pressure in the hope that he will deliver the three things the West still wants: the handover of indicted war criminals living in Serbia, a financial settlement of the assets of the pre-war Yugoslavia, which he holds, and a political settlement in the province of Kosovo, whose majority Albanian population is clamouring for autonomy in the face of heavy Serbian police and army repression.

For the moment, the political gridlock in Serbia is a convenient excuse for Mr Milosevic to ignore the Kosovo issue. So it festers away, like another Balkan sore, with no prospect of a solution.

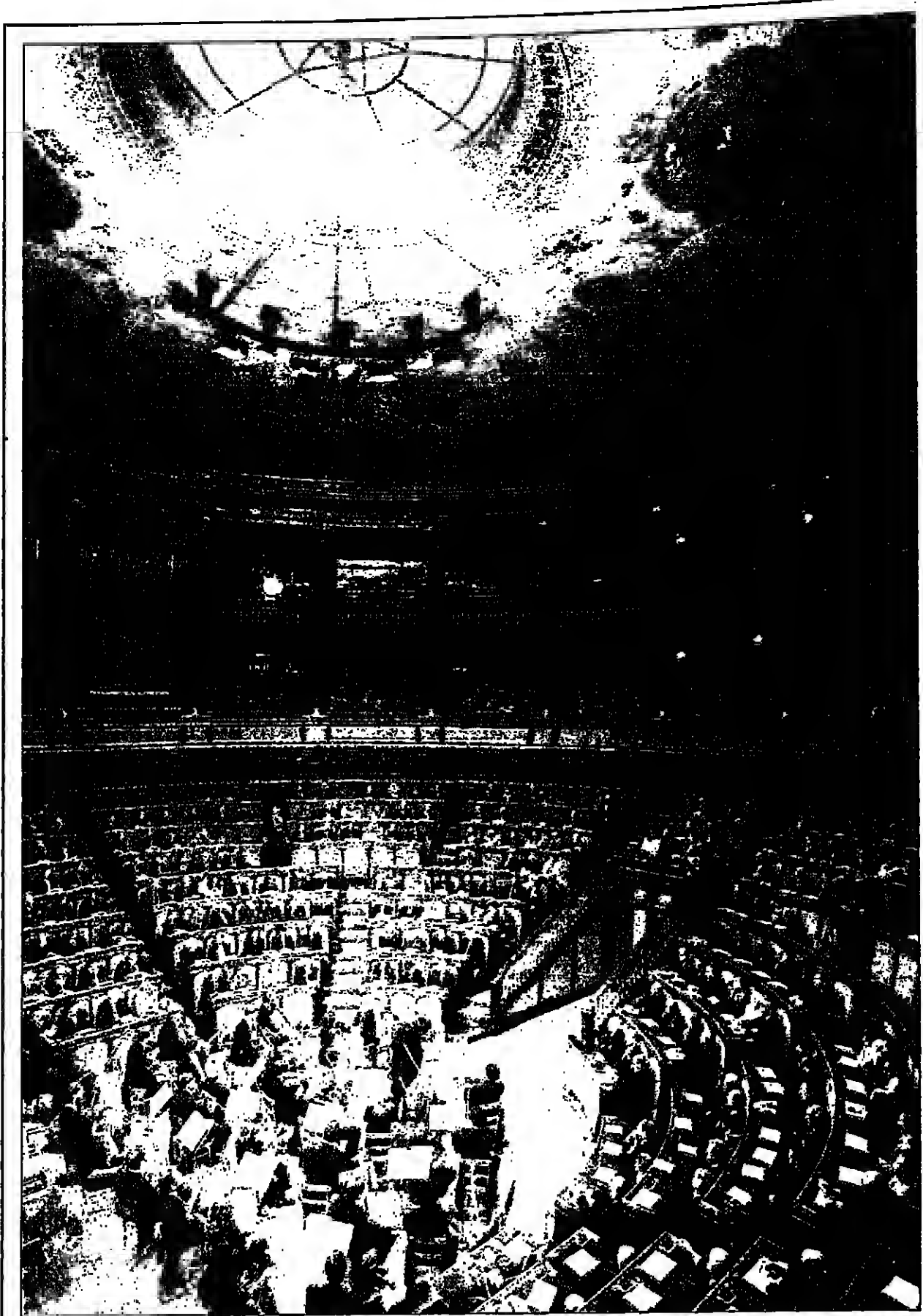


Slobodan Milosevic: Former ruler is controlling influence

of a Communist Serbia 10 years ago. Supposed opponents, like the crypto-fascist Mr Seselj or the pseudo-reformist Vuk Draskovic, seem quite content to prop him up in exchange for a few crumbs from his table.

What we are seeing is a giant exercise in phantom politics. Change is not on the agenda, and democratic change is quite out of the question. Less than a year after last winter's dramatic street protests, in which Mr Milosevic appeared to be cornered by a spirited outburst of public indignation, the energy and enthusiasm has gone. Belgrade's intellectuals have sunk into gloom, and the country seems gripped by a fatalistic depression.

"People have lost hope, and



High note: Salvatore Accardo conducting the first concert to be performed in the Senate in Rome, by the Italian Chamber Orchestra yesterday, to mark the 50th anniversary of the Italian constitution. Photograph: Alessandro Bianchi

## Deaths spark riots in French cities

The shooting by police of two young men, in separate incidents near Lyons and Fontainebleau, has sparked another round of violence in French cities. **John Lichfield reports from Paris.**

Fabrice Fernandez, 24, was shot in the mouth in bizarre circumstances by a police officer while answering questions at a police station in Lyons. Abdelkader Bouziane, 16, was shot and killed when his car crashed through a police roadblock near Fontainebleau.

The death of the two men ignited two nights of riots in the "quartiers difficiles" (sink suburbs) in which they lived. The violence brings to a head weeks of rumbling in the deprived inner suburbs of a score of towns all over France.

The National Front, and some mainstream right-wing politicians, have used the violence provoked by the incidents to call for a police clamp-down on deprived areas. Both men were French born from immigrant backgrounds. Mr Bouziane's family from North Africa and Mr Fernandez's from Spain.

Mr Bouziane was driving – under age – his mother's car when he refused to stop for police. Four shots were fired, one killing Mr Bouziane and another wounding a 19-year-old passenger. The death triggered two nights of clashes between youths and riot police in suburbs between Melun and Fontainebleau where the men lived.

Mr Fernandez was arrested in Lyons, with his two half-brothers. A rifle was taken from one of the brothers. At the police station, an officer picked it up and threatened to fire if the group did not shut up. The gun went off, hitting Mr Fernandez in the mouth and killing him instantly. The policeman has been placed in custody.

## Lithuania votes for new president

Lithuanians have been voting in their second presidential poll since leaving the former Soviet Union, and were expected to elect political novice Arturas Paulauskas.

Opinion surveys suggested that Mr Paulauskas, 44, was likely to win the first round and go through to a run-off with 71-year-old Lithuanian-American Valdas Adamkus, with the independence leader Vytautas Landsbergis trailing in third. Mr Landsbergis campaigned on his experience as the man who spearheaded the revolt against Moscow's rule, but commentators believe Lithuanians crave fresh faces.

Mr Paulauskas is a former prosecutor general whose work has spanned both the communist and post-communist eras. He had been endorsed by the popular outgoing president, Algirdas Brazauskas.

The most recent opinion poll, published by the *Respublika* newspaper, showed Mr Paulauskas with 33.9 per cent, Mr Adamkus with 29.3 per cent and Mr Landsbergis with 12.5 per cent. If no one gets more than 50 per cent of the votes, the two top candidates will face a run-off on 4 January.

## Germans caught in 60-mile jam

Truckers, holiday travellers and icy weather helped create a marathon traffic jam on the autobahn to Poland stretching almost 60 miles and trapping some drivers for 48 hours.

The jam started early Friday, when freezing rain slowed trucks driving east from Berlin to Frankfurt-an-der-Oder, the sole border-crossing for trucks to Poland.

Adding to the jam were Germans driving to Poland for cheap Christmas shopping and Poles who live in Germany heading home for the holidays. Many trucks were unable to move because the roads were too slick.

By yesterday morning the vehicles – mostly trucks – were backed up from the border to the southern edge of Berlin, about 56 miles away.

## Christmas tree comes down with a bang

The self-proclaimed "largest Christmas tree in Europe" exploded and burned to the ground outside the casino in Monte Carlo on Saturday night.

The demise of the £100,000 tree – actually 450 trees draped on a 100ft conical frame – is the latest misfortune to strike the celebrations for the 700th anniversary of Grimaldi family rule in Monaco.

A short-circuit in one of the 2,200 strings of fairy lights needed to decorate the monster tree is blamed for the disaster. Several cars had to be moved out of the reach of the flames but none was damaged.

The official Christmas tree of the principality was larger than usual this year to mark the royal anniversary.

The celebrations have already been somewhat scarred by political bickering on the future of the principality and the failure of most other European royal families to attend a gala event in the summer.

— John Lichfield  
Paris

## Croatian press in the dock as Tudjman pursues his enemies

A trial opens in Zagreb today where press freedom itself seems to be in the dock. **Steve Crawshaw reports on crime and punishment, in President Franjo Tudjman's Croatia.**

*Feral Tribune*, an impudently satirical weekly, is not known for showing reverence towards the powers that be. In Croatia these days such reverence is compulsory. Hence – at least in the view of many critics of the Croatian regime – today's court case.

The editors of the *Feral Tribune* have already been in court before, in connection with the offending article and photographs, which appeared to compare President Tudjman with Ante Pavelic, leader of the Croatian fascist state during the Second World War, and with General Franco, the Spanish dictator. They were prosecuted under a new law forbidding defamation of the President.

To the surprise of most observers, the judge acquitted the editors last September. Shortly afterwards, Croatia was admitted into the Council of Europe – in effect, the waiting room for membership of the European Union. Croatia's membership had been put on hold, not least because of concerns about freedom of the press.

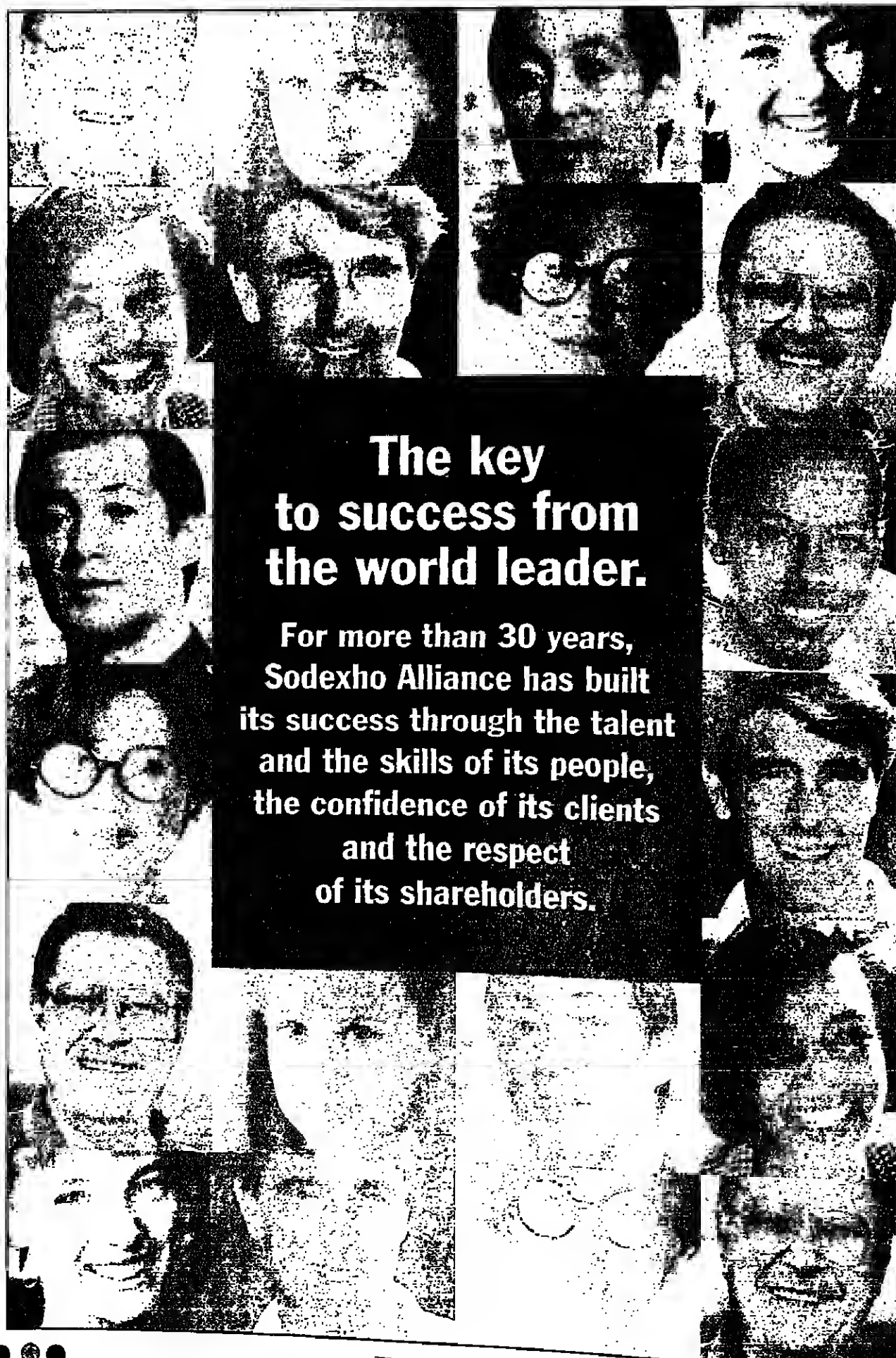
The state prosecutor appealed, however. Another court has argued that the acquittal of the journalists – editor Viktor Ivanic and leading writer Marinko Culic – has "no basis in law", and was "an essential violation of the rules of legal proceedings". Result: the case is returning to the Zagreb municipal court, for a "revised trial".

The court originally ruled that it was "absurd, unreal and inappropriate" to consider that a satirical photomontage could be regarded as a criminal offence. But the appeal court has in effect demanded that the municipal court judge come up with a better answer – "In the revised trial the court will remove all omissions pointed

out and deliver a new sentence that must be explained properly".

Earlier this year, *Feral Tribune* published what amounted to a defence of its earlier attacks on Tudjman, with a catalogue of actions which appeared to demonstrate a tolerance of the Ustashe legacy. The original article, entitled "Bones in a Blender", attacked the "crazy and morbid" plan to "mix together the bones of the victims with those of the criminals" at Jasenovac, a notorious Ustashe concentration camp, by lining up the dead on both sides. Officially, this is seen as "reconciliation".

The attacks on *Feral Tribune* are only part of a wider pattern of putting pressure on independent thinkers in Croatia. Zvonimir Cicak, a leading human rights activist, faces prosecution for alleged false statements about President Tudjman. George Soros's Open Society Institute in Zagreb was recently prosecuted for falsifying official records, in a move that was widely perceived as political.



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shooting by police of  
young men, in  
state incidents near  
Paris and Fontainebleau,  
sparked another  
outburst of violence in  
Paris and other cities.  
Reports from Paris.

## Caution is the watchword as Laos goes to polls

With all the candidates approved by the ruling Communist party, Laotians voted for a new parliament that is expected to continue gradual changes towards a more open economy. Results will be known in four to five days as tallies come in from isolated areas. Among the 159 candidates contesting the 99 National Assembly seats, all but four private businessmen are members of the Lao People's Revolutionary Party. Though the power structure is unthreatened by the vote, it is the closest thing to an opinion poll since the ruling party came to power at the end of the Indochina conflict in 1975.

— AP, Vientiane

## Obasanjo in hospital

An imprisoned former Nigerian military ruler has been taken to hospital less than two weeks after his former vice-president died after being taken to a hospital from his own jail cell. Olusegun Obasanjo, the first Nigerian military ruler voluntarily to surrender power to a civilian president, was hospitalised in the northern city of Yola, where he is serving a 15-year sentence on charges of plotting to oust the military government of Sani Abacha.

— AP, Lagos

## New Nazi row hits army

The German army, struggling to fend off charges that it is a haven for neo-Nazis, suffered another setback when two former soldiers said they had seen incidents of right-wing extremism. One said officers often sang Nazi songs and listened to speeches by Hitler at a barracks in Bavaria. The other former soldier, son of the former transport minister Guenther Krause, told *Bild am Sonntag* that he witnessed numerous cases of extremism, including officers shouting "Sieg Heil".

— Reuters, Bonn

## Iran pressing for change

Iran will have its first newspaper independent of political factions in about four weeks, its editor said. The newspaper will be called *Jamee*, or Society in Persian, and will launch with a circulation of 50,000 a day, aiming to reach 500,000 within a year, said the editor, Mahmoud Shams, adding that Iran's existing papers were affiliated with the moderate or hardline factions in the Islamic government. Each attacks the rival faction. *Jamee* will be the first paper to be owned by shareholders rather than a company.

— AP, Tehran

## Season of ill-will

Argentina's Foreign Minister has sent his annual Christmas gift to the inhabitants of the Falkland Islands - which are claimed by Argentina - hoping to charm them out of their mistrust of Buenos Aires. Guido Di Tella mailed five different books about Patagonia, the southern region of Argentina. "It hurts me to see how much you still distrust us," Mr Di Tella wrote in the accompanying message to the Falkland Islanders, who have responded to many of his past overtures with silence.

— Reuters, Stanley



Uncertain future: Montserratians watching smoke above the Soufriere Hills volcano from Salem, the de facto capital which they were forced to evacuate

## Montserrat fears Britain's hidden agenda

The 4,000 people still on the volcano-stricken island of Montserrat are upset, but defiant. They think Britain may force them to flee their homeland in the next two months. Britain denies it but, as our correspondent reports, the mother country's word is not what it was.

Stepping off the Montserrat ferry onto the tiny Heritage Quay jetty on the popular tourist island of Antigua, the contrast hits you in the face. On

the other side of the jetty was the magnificent sailing ship *Mandalay*, ready to take Americans and Europeans on a luxury cruise.

The ferry *MV Delux* had made a stomach-churning two hour trip. But it was the only way to get off the volcano island of Montserrat, where there are no cruise ships, no hotels, no tourists, only a handful of makeshift shops, just 4,000 refugees and stubborn residents.

Some passengers, all Montserratians, were simply going to shop for Christmas presents - there is virtually nothing to buy on the island - intending to return on the afternoon ferry. Others were

headed for a new life in England, taking up a British government offer of a one-way ticket.

On Montserrat, almost everyone believed the latest rumour: Britain has decided that the volcano is still threatening and plans to announce a forced evacuation of the remaining residents by February. "Leave us must?" asked a hanger headline on the local newspaper the *Montserrat Reporter*.

The fear that Britain had a "hidden agenda" to evacuate the island had been prevalent for months, at least since the Soufriere Hills volcano's major eruptions in the summer which wiped out the capital, Plymouth. But the belief that an evacuation had been decided and was imminent peaked after a story in the *Sunday Times* earlier this month, which quoted British volcanologists as saying the island may soon be uninhabitable.

The British government denied any such plan. The

Montserratian government said it had heard of no such thing. And the scientists quoted in the *Sunday Times* later denied talking to the newspaper or said they had been badly misquoted.

BY PHIL  
DAVISON

What is sure is that the volcanologists have drawn up a new report and that the British government is studying this and considering the options.

"The preliminary scientific briefing indicates that the risk to the northern part of Montserrat is currently very low," said a joint statement by British governor Anthony Abbott and Montserratian Chief (Prime) Minister David Brandt.

The 4,000 remaining residents are living in the northern third of the island, most of

them refugees from the south now living with relatives, in shelters or in new simple dwellings recently built by British aid. Before the volcano first erupted in 1995, there were 11,000 islanders, mostly in the harbour resort of Plymouth - now abandoned and destroyed.

Mr Abbott recently angered islanders by describing some of them as a "mob" when they marched to his residence to protest the evacuation of the village of Salem, which had become the de facto capital but was deemed too close to the volcano.

Islanders are living in an area of only a few square miles. There are only two grocery stores, a handful of bars, and two hanks operating from private houses. Many, if not most residents feel Britain is deliberately trying to squeeze them out.

"People are beginning to see this as a spiritual ethnic cleansing," local businessman Don Romeo said. "I think the scientists are under pressure to

come up with bad news to get us out."

The island's chief immigration officer, Sgt Kenneth Winespear, agreed. "This is our home. And there's no place like home," he said.

Mike Emmanuel, an American businessman and resident, said: "The British government's unexplained delays and inability to make decisions makes it seem like they have a hidden agenda. If we don't have enough anxiety, the British are doing a lot to make it worse."

John Wilson, a local businessman, said: "In time, Montserrat will be claimed by the people," he said. "The people, descendants of Africans, enslaved and now still manipulated, will take what their parents suffered and died for. The land is ours and someday we will liberate it. In time, Montserrat will be free and independent despite the devious plans and schemes to take the land and keep the people subservient."

Contract Food and Management Services - Remote Site Management - Service Vouchers and Cards - Leisure Services

## Annual results

The Board of Directors of Sodexo met under the chairmanship of Pierre BELLON to close the accounts for the year ended August 31, 1997.

### I - BUSINESS PERFORMANCE

The number of units rose from 13,512 to 14,381 during the year, while the number of employees rose from 141,118 to 151,595. Operations are now located in 66 countries worldwide.

The year also saw the award of a large number of new contracts:

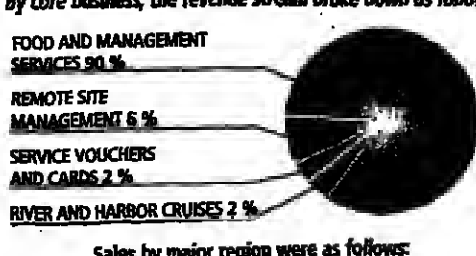
- Food and Management Services: Motorola in Toulouse (France), Chase Manhattan Bank and the Aldershot military base in the United Kingdom, the University of Pittsburgh (PA) and a facilities management contract for twenty psychiatric hospitals in the United States, Siemens in Brazil, Germany and Sweden, Danone in Moscow, and the Institute of Education in Hong Kong.
- Remote Site Management: Shell UK in the North Sea and the Escondido Mine in Chile, the largest mining project in the world.
- Service Vouchers and Cards: Gompus in France and the Ministry of Communication and Transportation in Mexico.

### II - FINANCIAL RESULTS

Over the year, consolidated sales increased by 18% to FRF 29,497,050,000, broken down as follows:

- Organic growth ..... 7 %
- Acquisitions ..... 1 %
- Currency effect ..... 10 %

By core business, the revenue stream broke down as follows:



Sales by major region were as follows:



Operating income rose by 24% to FRF 1,391,079,000. Consolidated net income less minority interests totalled FRF 538,242,000, a 34% increase from the prior-year figure before non-recurring items.

To enable Sodexo Alliance shareholders to benefit from the growth in earnings, the Board will ask them to approve a dividend per share before tax of FRF 35.00, including the associated tax credit of FRF 17.50, the total dividend comes to FRF 52.50, an increase of 35%. The proposed payout amounts to FRF 263,204,655, corresponding to 49% of consolidated net income less minority interests.

### III - NEW SHARE ISSUE

The Board of Directors noted that all of last November's FRF 2 billion share issue had been subscribed. Shareholders responded very positively to the issue, despite difficult conditions in the financial market.

### IV - ACQUISITION OF MARRIOTT INTERNATIONAL INC.'S FOOD AND MANAGEMENT SERVICES BUSINESS

On October 31, Sodexo Gardner Merchant acquired Marriott International Inc.'s food and management services business in the United Kingdom.

As announced on October 1, the merger of Sodexo North America and Marriott Management Services in North America is scheduled for first quarter 1998. Sodexo Alliance will hold 49% of the new company, the Marriott family will retain around 10% and the rest will be publicly owned. The new company, Sodexo Marriott Services Inc., will be the North American market leader, with more than 4,800 units and FRF 24 billion in sales. Its shares will be listed on the New York Stock Exchange. The link-up will also strengthen Sodexo Alliance's global market leadership. A financing commitment for Sodexo Marriott Services Inc. has been obtained from Société Générale and JP Morgan. Financing is now being syndicated.

### V - OUTLOOK

The Board of Directors discussed the outlook for the future, which remains favorable. Pierre BELLON indicated that for the current fiscal year, based on currently available data:

- Consolidated net income less minority interests, excluding the merger of Sodexo North America with Marriott Management Services in North America, is expected to increase by more than 10% over the previous year.
- The merger with Marriott Management Services involves a certain number of aspects that are beyond Sodexo Alliance's control and which could modify the impact on fiscal year 1997/98 earnings. These include:
  - The date of final closing, which will not be before March 1, 1998.
  - US interest rates at that date.
  - The nature of the integration costs and their accounting treatment.

Excluding the impact of such hard-to-foresee events, and based on shares in issue following the capital increase, net earnings per share should increase by approximately 6% in fiscal year 1997/98.

Pierre BELLON also confirmed that net earnings per share, after amortization of goodwill, are expected to grow by an average 20% a year over the next three fiscal years.

As Sodexo Alliance continues to expand in the world marketplace, we derive important competitive advantage from our independence, our global reach, the quality of our teams and our excellent financial position.

**Sodexo**  
ALLIANCE  
We make a world of difference

**Sodexo Alliance worldwide leader in food and management services**

For further information, please contact: Raphaël DUERLE - Corporate Secretary  
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## Search goes on for air crash victims

Grieving relatives yesterday prayed and burned incense on boats moving slowly past the crash site of a Singaporean airliner that plunged into an Indonesian river with 104 people aboard.

Indonesian searchers were joined by 23 divers from a Singaporean naval unit seeking to recover wreckage of the SilkAir Boeing 737-200 that crashed on Friday midway through a flight from Jakarta to Singapore.

But strong currents and tides had moved a large chunk of fuselage found on Saturday and divers groping their way through the chocolate-coloured waters of the Musi River were unable to relocate the wreckage.

It appeared unlikely that there were any survivors among the 97 passengers and seven crew aboard the almost-new jet, which SilkAir said had undergone a thorough maintenance check only 10 days earlier.

Witnesses said the plane exploded twice in mid-air and again when it plunged into the river, 35 miles north-west

of Palembang. Officials have said they were mystified why the plane should fall out of the sky.

Most of the dead were Singaporeans, but three Britons were also believed to have died. Eugene Clarke, 56, an engineering consultant, had been travelling back to Britain to attend the funeral of his father Francis, who died last week. Kenneth Wilson, 43, who lived in South Africa before moving to the Far East, was travelling to New Zealand to spend Christmas with his wife Tansie and daughters Robyn, 14, and Sandra, 17. The third British victim, also an expatriate, was Ruth Scott, 36, who lived in Singapore.

There were no distress calls and radio contact was lost only a few minutes before the crash. An Indonesian officer at the crash site said that the "black box" flight recorders were still missing.

In Greece, crews working in snow sifted through the burnt wreckage of a Ukrainian airliner to recover the bodies of 70 people killed in a crash near Mount Olympus.

Heavy fog and snow, which had delayed the discovery of the crash site for three days, slowed down efforts by military and medical units to collect the 62 passengers and eight crew who died in Wednesday's crash, he added.

The snow-covered slope near the remote northern Greek village of Ano Milia was strewn with bodies, passports and Christmas-wrapped toys when commandos reached the crashed Russian-built Yakovlev-42 airliner on Saturday.

The plane vanished from radar screens during its second approach to Salonika airport after a flight from Kiev via Odessa. Tasos Mandelis, an engineering consultant, said after listening to a tape recording of a dialogue between Salonika's control tower and the plane that it appeared the pilot had become disoriented.

The sliding plane shaved snow-covered trees before crashing in a gorge and bursting into flames where Mount Olympus meets the Pieria Mountains.

— Agencies

## Rifles seized in plot to kill Castro

One of two sniper rifles seized in a suspected plot to kill the Cuban President, Fidel Castro, was purchased by the president of a leading anti-Castro group, a newspaper reported.

Francisco Hernandez, the second-ranked official at the Miami-based Cuban American National Foundation, bought the weapon in 1994, the *Miami Herald* reported yesterday. The newspaper cited FBI records in its report. The second rifle was bought by Miami exile Juan Evelio Pru, a veteran of the Bay of Pigs invasion. FBI records cited in the newspaper said.

The two .30-calibre rifles were seized by the United States Coast Guard on 27 October aboard a Miami-based

yacht carrying four Cuban exiles off Puerto Rico.

Agents also found ammunition and military supplies aboard the vessel, which had developed mechanical problems and had begun to take on water.

The four were charged with failing to report the guns. But a US grand jury in San Juan is still investigating Coast Guard testimony that one of the exiles blurted out that the guns were to be used to kill President Castro during a November summit meeting on the Venezuelan island of Margarita.

Although the Havana government has repeatedly accused the exile foundation and its members of financing armed attacks on Cuba, this is the first



Fidel Castro: Rumours of an assassination plot

time a foundation official has been linked in an FBI investigation to an alleged plot against Cuba. Mr Hernandez ranks second

in command behind acting chairman Alberto Hernandez, who took over leadership of the anti-Castro group following the death last month of its founder, Jorge Mas Canosa.

A spokesman for the foundation said Saturday he couldn't reach Mr Hernandez and declined to comment. Mr Pru did not return the *Herald's* telephone calls. Neither man has been charged in the case.

President Fidel Castro agreed at a six-hour meeting with Cuban Catholic leaders last week to grant the Church television airtime ahead of Pope John Paul's historic trip next month, Cardinal Jaime Ortega said in an interview with *La Republica* yesterday.



# 12/LEADER & LETTERS

## Send the lords a-leaping and head for the Senate



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Suppose just for a moment that, among all the other zesty things Tony Blair did within days of taking office, he had said: "No more knighthoods." Suppose he had dropped the whole rickety, deference-ridden Christmas tree of gongs and baubles. In the Young Country, nobody would be called officially Sir or Lady. All former Tory ministers and ex-permanent secretaries would be, well, former Tory ministers and ex-permanent secretaries.

Ludicrous, of course. He would have to consult the Queen, who would never have agreed. It was not in the manifesto. It would voluntarily surrender an important lever of patronage. But, above all, it would have "implications". The entire Establishment wing of voluntary activity would be up in arms. What about CBEs, OBEs, the imperial orders allegedly democratised by the previous government? What, above all, about titles in general? If no Sirs, what about Lords? And if no Dames and knightly-spouse Ladies, what

about Lady peers? Which brings us to the weekend's announcement that legislation is being drawn up to reform the House of Lords.

It has often been argued, both by opponents of reform and by some of its supporters, such as this newspaper, that changing the House of Lords cannot be separated from other aspects of modernising our democracy. Opponents argue, in the way of true conservatives everywhere, and as Enver Hoxha did when he warned against the slightest deviation from the strict path of Stalinism in Albania, that it will all end "in a bucket of crabs".

Our argument has always been, on the contrary, that if one part of the undemocratic encrustations of our system is swept away, then the illogic of other parts will be exposed. Eventually, the dominions of deference will fall. But there are dangers in proceeding piecemeal, which seems to be how the Government is approaching the most ambitious programme of constitu-

tional reform since 1832. We pointed out recently that it was not ideal to have Roy Jenkins discussing the finer points of proportional representation for the Commons in isolation from consideration of the future of the second chamber. But both the possibility of electoral reform and the certainty of House of Lords reform are part of a wider picture still, and will have implications for a range of issues, some of which have not even begun to be discussed.

Now is the time to broaden the terms of debate about where we might, as a nation increasingly assertive of its democratic rights, be headed. Because there will be "implications" for, among other things, the honours system and the monarchy.

The debate will not be led by Mr Blair, who has added the title "conservative radical" to the list of oxymorons by which he may be described ("liberal authoritarian" and "principled opportunist" are others). Apart from strengthening No 10 and the spin doctorate, and appointing a series of

"task forces", he has left the structure and nomenclature of government surprisingly intact. To take a minor example of how this conservatism has cut across the attempted "rebranding" of Britain, it cannot have helped Geoffrey Robinson in his travails that he has been lumbered with the antique title of Paymaster General.

Nor does it help Mr Blair stake a larger claim to modernity for him to reduce Lords reform simply to the removal of the rights of hereditary peers to sit and vote in the Upper House. It may be true that if you ask a focus group whether men (mainly) should have a role in drafting legislation because their father had a title, they would say No. Whereas, if you ask them what they think about the House of Lords, they would probably say it is a good thing, if they have an opinion at all.

The Government needs to say more about what a reformed second chamber would be like, and how it will, if not affect the price of milk, at least enhance

democracy for all. That point was underlined by the official briefing that Mr Blair has set a deadline of 1999 for the hereditaries to go. The linking of democratic reform to what Stephen Jay Gould called the "precisely arbitrary countdown" to the new millennium throws into sharper relief the contrast between New Labour's conservatism and its radicalism.

We cannot go into the next century with a House of Lords which has simply been stripped of peers who owe their crime to accident of birth, leaving an unreformed assortment of political appointees deposited like sediment by layers of patronage in the past, plus bishops and judges.

It needs to be said now that, if a mere number is to have any significance at all in secular Britain, that in the 21st century we should have a democracy in which sovereignty lies with the people, equal in respect. We should not have Lords, Ladies or Sirs. And we should have a Senate or Upper House which is largely elected.

Post letters to Letters to the Editor  
and include a daytime telephone number.  
Fax 0171 293 2056; e-mail: letters@independent.co.uk  
E-mail correspondents are asked to give a postal address.  
Letters may be edited for length and clarity.

## LETTERS

### Labour on the fringes

Sir: Professor Tomlinson (letter, 17 December) at least has a membership card for the Labour Party which he can return in disgust at the vote on single-parent benefit.

If he lived in Northern Ireland, he would not be permitted the opportunity of joining Labour in the first place - although if he lived in Bangkok, Brisbane or Buenos Aires he would be welcome as an overseas member.

"New" Labour has still not addressed one hang-up of Old Labour. It still adamantly refuses to accept into membership voters in this part of the UK even if they are long-serving party members of old - when living on your side of the North Channel.

Labour's sympathisers over here are asked to support a national government in the election of which they can have no part. When they point out this gross injustice they are asked to support, instead, Labour's "sister" party, the SDLP, although if that party achieved its nationalist aims they would not be UK voters at all.

BOB RODWELL  
Newtownards  
Co Down

Sir: The neo-Thatcherite drift of the present government leaves millions of centre-left voters disillusioned, angry and betrayed.

Those of us living in Wales and Scotland can at least voice our opposition to the Government by voting for the far more radical nationalist parties. However, for those millions of radical voters living in England the choice is between the devil and the deep blue sea. I believe that many voters like myself, who have been betrayed by the present government may well change our traditional hostility towards proportional representation when there is the possibility of a new radical movement drawn from all strands of centre-left opinion united against the hegemony of the present Blair/Hague/Ashtown cabal.

JOHN APPELBY  
Corwen, Ceredigion

Sir: Professor Tomlinson may care to consider the preamble to the federal constitution which appears on Liberal Democrat Party cards.

The Liberal Democrats exist to build and safeguard a fair, free and open society in which we seek



to balance the fundamental values of liberty, equality and community and in which no-one shall be enslaved by poverty, ignorance or conformity.

I hope he finds these principles more acceptable than the Labour party sense of moral values which he has found wanting.

C W RILEY  
Crowborough, East Sussex

### Farmers under fire

Sir: Andreas Whitlam Smith misses much of the point in his farming analysis (16 December). Not only has agriculture been distorted by price support, it has also been the dupe of ruthless corporations.

While farmers are a convenient target, much blame rests with the feed and pesticide corporations and the regulatory bodies. These rely on a pseudo-science in which "no proof of harm" in short-term trials is used to permit a lifetime exposure.

The long-term chemical adulteration of food and the unpredictable effects of genetically engineered crops are just two examples. Unless you are highly motivated, it is almost impossible to avoid buying soft drinks or processed foods which expose your children to both.

Meanwhile, our government, whilst trumpeting support for organic farming, spends each year, a pitiful £845,000 with a further £1m spent on research.

MARTIN HUGHES-JONES  
for Green Party Agriculture Working Group  
Sampford Peverell, Devon

Sir: You state that "farmers will be hounded from ... making pigs and poultry (eat) recycled wastes from their own species". ("Animal feed ban to curb new diseases", 18 December).

Farmers were as horrified as everyone else to learn what was in animal feed, but they were not to blame for its being there.

Nowhere is "animal waste" listed as a constituent of commercially produced feeds. Agriculture lags behind in disclosure of what is actually in the product that the consumer buys.

The guilty parties are feed manufacturers who buy animal waste and the abattoirs that sell it to them. Farmers support all measures, including legislation, to clean up feedstuffs.

BILL WILKINSON  
Eaglescliffe, Stockton-on-Tees

Sir: In response to your report "Animal feed ban to curb new diseases", the British Poultry Meat Federation would like to make clear that its members voluntarily withdrew poultry and feather meal from poultry feed in 1989 and this has subsequently been a requirement of multiple retailers.

PETER BRADNOCK  
Chief Executive  
British Poultry Meat Federation  
London WC2

Sir: You report that Iain McGill claimed that he and Gerald Wells of the Central Veterinary Laboratory discovered a spongiform encephalopathy disease in a cat ("BSE scientist was 'censored'", 11 December). They had informed their managers at CVL of their suspicions but their report was suppressed.

In April 1990 Dr Geoffrey Pearson and his colleague Janet Wyatt (now Bradshaw) of the University of Bristol found a scrapie-like disease in a cat during a routine post-mortem.

They immediately took steps to see that this disease was adequately reported. Bristol supplied material from the cat's brain to CVL so that it could come to its own confirming conclusion.

They reported their findings in an urgent letter to the appropriate scientific journal, *The Veterinary Record*, which appeared in May 1990. There was also, virtually simultaneously, a release of the information through a press release. The

findings were reported at scientific conferences in Birmingham and Brussels within a matter of months.

As the work progressed there were a number of papers published by Bristol, either by itself or in conjunction with the CVL and colleagues at Edinburgh. At no time in that process was their work in any way delayed or censored by the Ministry of Agriculture or by the CVL.

DON CARLETON  
Information Officer  
University of Bristol

Sir: A Christmas brain-teaser for Jack Cunningham:

Assume that a law-abiding butcher excises a beef bone which, unknown to him, is contaminated with BSE prions. What is he most likely to do with his knife?

a) throw it away  
b) sterilise it  
c) carry on using it  
d) BRIAN SIMPSON  
London N6

### Railtrack profits

Sir: At this time of the year one should try to be charitable, even where Railtrack is concerned, and there is much to agree with in Mike Gibson's letter (19 December) about track charges.

Many of us associated with the rail industry have complained about the unlevel playing field between rail and road costs for decades.

However, this cannot disguise the fact that the UK now has among the highest rail track charges in Europe, and these charges do inhibit sustained growth of rail traffic. Also, despite privatisation, 95 per cent of these costs are picked up by the taxpayer. Little wonder Railtrack makes such massive profits.

LAWRIE HARRIES  
National Union of  
Rail Maritime  
& Transport Workers  
London NW1

### Class ceilings

Sir: Your leader on social class (15 December) rather misses the point. Of course there are other sources of personal identity. However, the government social class scheme is concerned not with people's identities but with their life chances. In this sense class remains crucial.

From the risks of perinatal mortality, through those of having certain diseases, to the age at which we die and the cause of death, there are strong class relationships. These relationships persist, and so they need to be understood. Our proposal is for a class scheme which will improve our understanding of such relationships.

Post-modern slogans about living our lives as "free-to-choose" individuals do not alter the realities of class. There may be more to the world than social class, but nevertheless even people's chances to "break out" of the mould, and the ways in which they are able to "assert a personal identity" are circumscribed by class. We do not all begin life with equal social resources; nor do we all have the same opportunities or effective choices in the course of our lives. This is because there really is such a thing as society.

DAVID LOCKWOOD  
Chairman  
DAVID ROSE  
Convenor  
Economic and Social Research  
Council Review of Government  
Social Classifications  
Colchester, Essex

### Probably unwise

Sir: Martin Gomberg and Richard Noss (letter, 16 December) question the Government's displacing of probability from mathematical teaching in primary schools. Would it be wise for a government which plans grand deeds for the National Lottery income to educate future players on the real chance of winning?

PETER CASSIDY  
Whiston, Merseyside

### Not for me

Sir: My delighted eye was caught by headlines (19 December) telling me "sex is good for you". Sadly I found I am not featured at all. Apparently "you" means men, and sex is only good for men. Shame.

MARGARET LEGUM  
Brentford, Middlesex

## Kill the poor and needy, and the welfare system will look after itself



MILES  
KINGTON

The honeymoon may be over and the hard grind now starting. Yes (writes our New Testament political correspondent, Simon the Scribe), it looks as if the popularity that surrounded King Herod when he first came to power has now ebbed. The last straw seems to have been his announcement that all new-born male babies should be slaughtered. King Herod, however, stoutly maintains that if the welfare system is to be reformed, then tough measures must be taken.

"We inherited a government which was being crippled by the level of payouts to the needy and poor," says Herod, who swept to power on a platform of "I'm next in line to the throne, so what else do you want to know?" policies. "I am determined to root out this awesome welfare burden. And one way of doing this is by reducing

the number of children being born, so I have ordered all male children up to the age of two to be culled. It makes a lot of sense economically. It is purely a one-off measure, and if it rights the budget, then we'll never have to resort to it again."

Opponents of the scheme point out that this will hit very hard at parents with children under two years old. That if their children are taken away from them, they will have to start their families all over again. King Herod says that this is precisely the point, and that if you physically get rid of the poor and needy, the welfare problem automatically rights itself.

Does this (writes our New Testament social affairs correspondent, Limping Lazarus) include the disabled? That is the question which disabled people everywhere are

fearfully asking. They do not want their benefits to be cut just to fund some mythical reform of the welfare programme. Some of them are reduced to the breadline, and one poor homeless man was found in the desert, barely alive on a diet of locusts and honey. What next?

However (writes our New Testament economics correspondent, Matthew the Mathematician), this comes hard on the heels of another unpopular move by King Herod, who ordered everyone to go back to their home town for a census to be taken. Well, strictly speaking it was ordered by the Roman Emperor, but King Herod will get all the flak, as he is sometimes perceived as being in thrall to the bureaucrats in Rome, at the heart of the Roman Economic Community, as it styles itself.

These bureaucrats have increasing powers to dictate policy to Herod. So are we being ruled by King Herod or by the Treaty of Rome? That is the unwelcome question which Herod increasingly has to face.

Nor is that all (writes our New Testament diplomacy correspondent, Peter Passover). It is increasingly being said that Herod is being influenced by personal advisers who have no democratic standing. The so-called Three Wise Men who have been staying with King Herod, and who supposedly have been bending his ear, are not the kind of people Israelites want advising their king. These three men seem fabulously wealthy. They are based overseas. But what do we know about their tax arrangements? Why should we listen to what overseas advisers tell us? And is it true

that King Herod plans to spend his next summer holidays in a villa belonging to one of them?

Nevermind about that - there is a most extraordinary rumour going round (writes our New Testament gossip correspondent, Thomas the Tittler) that what the Three Wise Men are here for is to look for a baby who will grow up to be King of Israel, and that that may be the real reason behind the strange decision to cull male babies. This new-born baby is rumoured to be the son of God, and thus will be one of the most eligible bachelors for many a long day, when he grows up! Not only that, but the rumours insist that he will one day rule the world, and I have it on the best authority that some people have already changed the date and are starting their

calendars again from Year Nought!

I have it on the best authority (writes our New Testament court correspondent, Luke Lickspittle) that our gracious King Herod has no intention of renumbering the years. For a start, this would infuriate the bureaucrats back in Rome. For another thing, if you start renumbering the years from Nought, you find yourself at the start of a millennium, and the last thing King Herod wants to do (I understand) is face the expense and needless controversy over a huge Millennium Project. Look what happened to the Hanging Gardens of Ephesus, he says ...

(Coming soon: Cherie Blair as Salome, and Peter Mandelson as John the Baptist ...)



## National insurance: Beveridge's phoney system



**POLLY TOYNBEE**  
ON HOW TO  
REFORM WELFARE

What is welfare reform for? The Cabinet hasn't even discussed it yet and David Blunkett's worries, as put by him in his leaked memo to the Chancellor, express a growing general anxiety. Tony Blair's speech in Sedgefield this weekend reiterating his determination to press ahead with reform didn't help. Far he didn't say how, not even really why.

How important is it? In the general sweep of the economy, not at all. We spend a bare 13 per cent of GDP on welfare, compared with Germany's 30 per cent. France even more. We spend the same as the Americans and the Japanese, the least in the developed world. There is no welfare spending crisis. But the more politicians go on pretending that there is, the more voters will believe it and demand cuts. "We spend more on the Department of Social Security than we do on education and employment, health, and law and order combined. We spend more than we collect in the whole of income tax," said Blair. Scary stuff, deliberately scary stuff and if he goes on like that, he will find himself hoist on his own populist rhetoric, and judged by his failure to deliver significant cuts in social security spending - a target he cannot achieve. For example, pensions take up by far the biggest chunk, rising as the population ages, and nothing much can be done about that in a hurry.

We do indeed have a problem with welfare, but not with its overall total. We have a problem within welfare, which Blair defined well in his speech: the Tories spent an extra £44bn in real terms and yet there are more poor people than ever before. Welfare isn't working as it should, that's plain. But the growing number of poor workless households is partly because of the increase in pensioners, many of whom are poor. And it's also because, we have a great more unemployed than in 1979. The numbers are set to start rising again next year according to the Bank of England, so it hardly seems likely that an overall cut is achievable anytime soon.

There's no doubt the whole welfare system needs reform. Some people who haven't a hope of ever working are kept far too poor. Meanwhile many people who are not poor are still drawing large sums on the social security budget. All the money should go to those who need it, and all who could find work need to be prodded into doing so. That sounds like a platitude, common sense everyone could agree on.

But politically it will require extraordinary bravery, with a focused programme that sets

out from the start what the objectives are. So far we have seen nothing much of that. For a government reputedly good at spin, its presentation on everything to do with welfare and cuts has been catastrophic. Any reform means there will be many losers as well as gainers, and the losers ought to be the vocal middle classes. Does Labour dare?

It's time to start all over, and dismantle the whole national insurance system that still pays out according to notional contributions made and not according to need. It's time to say that a phoney system started by Beveridge has had its day. National insurance pretended to be a genuine insurance fund, but there never was any connection between sums paid in over a lifetime and pensions or other benefits paid out. It never from its first day paid enough state pension for anyone to live on: those with no other income always had to be means-tested and paid national assistance or income support on top, so it never offered either the security or the dignity it promised.

Yet the system still pays out arbitrary sums to people not in need, when they become unemployed, sick, disabled, widowed or old, regardless of how rich they are. When I was widowed I was astounded to receive a widow's mother's benefit of more than £120 a week, automatically, without anyone asking what I earned or whether I needed it. It was paid only on the basis of my late husband's NI contributions. (I stopped drawing it.) Benefits must become just a safety net for times of financial crisis, not a right.

National insurance was a fine idea - everyone paid in, everyone got out. It was a political device for getting the rich to pay for the poor. But it's had its day. Very few people under the age of 50 have any idea what those deductions from their pay packets mean. There is no longer an emotional understanding of its significance, or sense of participating in a wider insurance system. Taking away entitlements from those who don't need them will cause an outcry, but one the Government could face down, so long as it's crystal clear where the money is going and why.

The easiest payouts would be to poor pensioners and the severely disabled who are never going to work, for whom all idea of incentives is irrelevant. For the rest who might work, depending on who they are and where they live, more investment in welfare-to-work schemes will be needed, for training, transport and childcare. The purpose of getting these people back to work is not to save on the social security bill, but to bring them back into society so they live less isolated and impoverished lives. As America is discovering, that's a social good of itself, but it's cheap. After all Gordon Brown has invested £3.5bn in targeting just 120,000 18-25 year olds. In Wisconsin, the pioneer welfare-to-work testing ground, it costs 60 per cent more, although they hope to save eventually on crime, health and mental health budgets. They hope for a better society as a result, as we must too.

So let's have less talk about cutting the social security budget. We can well afford it, so long as people believe it's doing good not harm. That means the Government will have to make it work better, and politicians will have to start selling the value of that spending as a very good investment for everyone.

## 'Tis the season to feel guilty ... and there's no way out

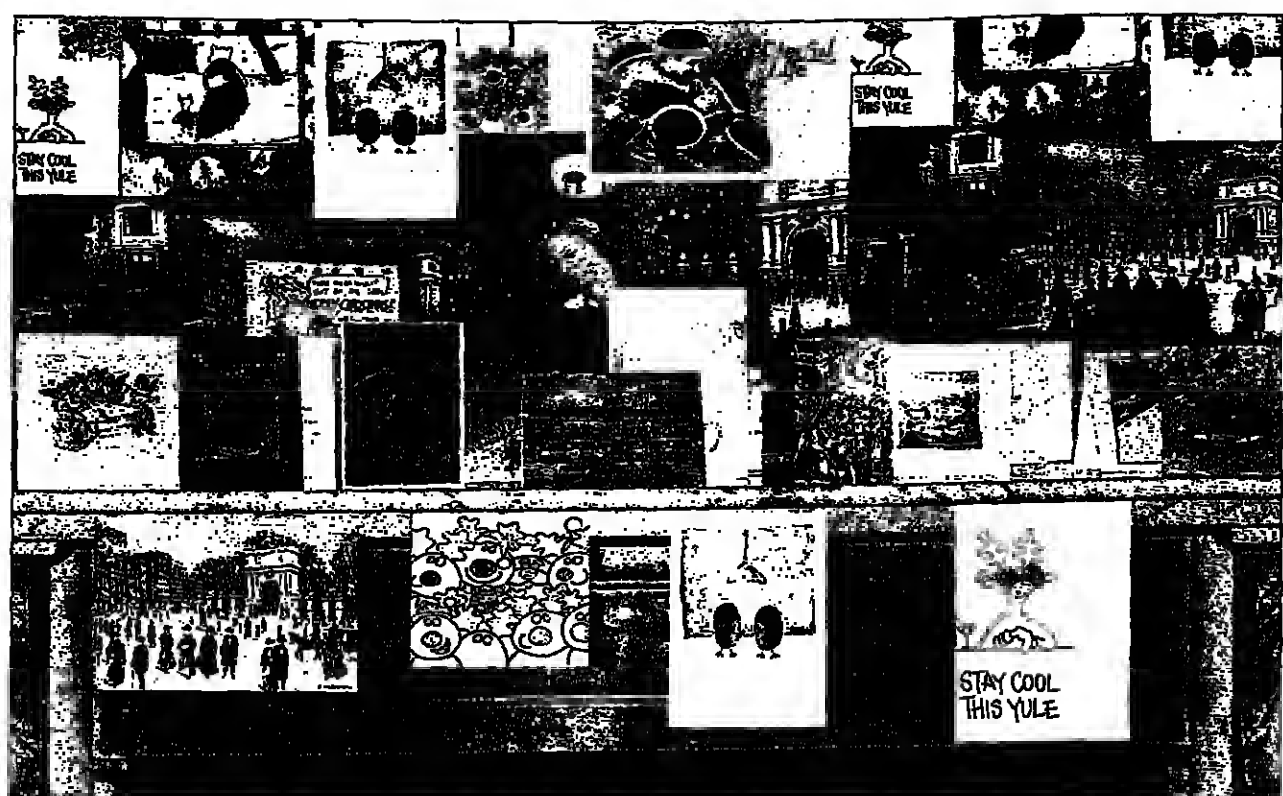


**TOM SUTCLIFFE**  
ON RITUAL  
AVOIDANCE

Every now and then the carload of guilt and nagging insufficiency which most of us are committed to hauling up life's slope gets a little heavier. This is bad enough when the extra weight comes from something you can see coming - one of life's regular loading depots, such as marriage or the birth of a child - but it's even worse when it arrives out of the blue, as if a passer-by has surreptitiously heaved an old fridge into the trailer while you weren't looking.

The other day, for example, my children started coming home from school with Christmas cards from their classmates, each one laboriously inscribed by a childish hand, and I suddenly realised that the weight of my annual failure to send cards in time - if at all - had been rendered rather less bearable. Now I have to worry about the fact that my children haven't sent Christmas cards either (not to mention the nagging little codicil of the unenvyingly competent handwriting in some of these cards, which pulls the harness of undone homework a bit more deeply into the shoulders). This seems to me a very bafled development, and not one for which the infants themselves can be blamed. However good the handwriting you can't imagine they have been precocious enough to plead for the dubious pleasure of signing and addressing 20 cards. Their essential innocence in this matter is being corrupted and it's simply not good enough - surely there should be some kind of parental non-proliferation treaty to prevent the addition of entirely novel obligations to those we already groan under.

It's not even as if school-children need Christmas cards for their most important current purpose, which is to remind unseen friends and acquaintances that one is still alive. After all,



they generally hand them over in person at the classroom door, adding some Christmas greeting which instantly renders the contents redundant - at least as communication rather than social ritual.

Perhaps this sounds grumpily unseasonal but then I have an uneasy conscience, which naturally predisposes me to come up with an argument against Christmas cards rather than for them. If there is anyone out there waiting to receive a card from me this year they will, I fear, be disappointed. Feel free to add yourself to this list of notional recipients, incidentally, because it will almost certainly be more comprehensive than any I would have drawn up in practice.

Every year, the very first resolution I break is that in which I swear to keep all the Christmas cards in a safe place so that I can make amends after another 12 months. I seem to recall that my parents owned a specially designed Christmas card address-book, which would be filled in some time after Twelfth Night to ensure the tightest possible match between one year's reception and the next year's transmission - there were pre-printed boxes in which you could tick off those who had sent and those who hadn't. And while I don't think my parents followed a draconian policy of reciprocity - if people missed a year they weren't instantly cut off - a per-

sistent absence of seasonal greeting could be identified at a glance.

I put this down to my parents' sense of charity, actually - there was no shame in making some distant acquaintance feel bad next year by accident but to do it for three or four years running would be very bad form. Because, although Christmas cards are notionally meant to cheer you up (I assume that's the theory anyway - apart from their useful function in enriching greetings card manufacturers and boosting the Post Office's December profits) they

other things they should be doing? In a similar way, cards from anybody who stands to gain financially from a relationship with you can reasonably be discounted as a kind of seasonal advertising. Christmas, after all, is the one time of the year when even the most bashful of freelancers finds it possible to indulge in a little holly-camouflaged self-promotion. Not always the bashful either - William Hague's Christmas card (which like many politicians' postings will have more to do with the maintenance of networks than gen-

types the Christmas card is never a question ("Still there? Still think of me?") but a statement ("Doing better than ever") and as such demands no answer. Others carry no more information than that which can be decoded from the array of Christian names under the greeting (I did once learn of the dissolution of two friends' marriage through the arrival of a card from her, with a strange male attached as co-greeter, not to mention an additional baby). Opening one of those purely nominal cards you have the sense of taking part in some great annual roll-call, the roster of acquaintance being tallied up with every post. The only problem being that no two registers will ever precisely overlap; send a card to someone who hasn't sent one to you and you will have shouted "Present" in an assembly where you were not expected. Fail to send one to someone else and there will be an echoing silence when your name is called out.

Some people react to the social anxiety this arouses by a kind of Christmas card carpet bombing - but in the long run that will only lead to retaliation and a spiral of escalation. There is, of course, a much easier way to avoid causing or feeling embarrassment - and that is to establish a solid reputation as a permanent absentee. That's the theory, anyway. Now all I have to do is to find some way to remove the unwanted guilt.

### 'Now I have to worry that my children haven't sent Christmas cards either'

will only do this if you have already sent a Christmas card to the person from whom you are receiving one. And if you haven't sent any at all then every stiff envelope pushed through the letterbox hits the floor with an admonitory slap.

There are some exceptions to this rule, naturally - the card that arrives from three to four strangers in the Yorkshire Television Press Office is clearly intended as a corporate *aide-memoire*, rather than some kind of lip-service to our long friendship (or are these just places where writing out Christmas cards is less boring than all the

## Maiden speeches that came top of the class



**FRAN ABRAMS**  
REVIEWS THE  
NEW MPS

The trunks are packed; the bus is ready to leave. As Westminster's new boys and girls depart for the Christmas holidays today, what will be written on their end-of-term report cards? Those heady days back in May when they all - well, apart from the Tories, that is - posed for euphoric class photographs seem so long ago.

By tonight, the last of the May '97 intake will have made their maiden speeches (with the exceptions of Gerry Adams and Martin McGuinness, who turned up only to demand lockers while refusing to attend class, and Mohammed Sarwar, suspended from Labour's whip after being accused of breaking the rules to get in). And what did these speeches tell us about our new MPs? In most cases, not much.

The typical maiden speech began: "Little Snodding is an historic town, having been the first place in England to install digital security cameras ..." before a fulsome tribute was paid to the previous incumbent without mentioning his alcoholism or the fact that he only ever visited on polling day. Some MPs broke the mould. This term's class wag was Stephen Pound, who related the huge but vain efforts he had made to find out even one interesting thing about Ealing North.

In June 1889, though, a giant circus elephant had collapsed and died on Castlebar Hill: "The giant pachyderm, with its last few breaths, bravely staggered forward, and is to this day to be found underneath the road - unfortunately,

just over the constituency border in Ealing, Acton and Shepherd's Bush." Charlie Chaplin and his brother Sidney lived there briefly, but they took the first opportunity to flee to Bermondsey.

Mr Pound's speech was far more warmly received than the one he made a few weeks later to the Parliamentary Labour Party, in which he described the cut in lone parents' benefits as the equivalent of a couple of packets of fags.

Another MP who went for the wag award, and only narrowly missed it, was Lembit Opik, Liberal Democrat MP for Montgomeryshire. He confessed his name caused him some problems, as he was born in Northern Ireland to Estonian parents but now represented a Welsh seat. His constituency officers had wondered briefly if he would mind standing as "Alex Carlisle" so his predecessor's posters could be re-used, before quietly adapting his name to "Lembit ap Opik", he said.

"By a remarkable co-incidence my name turns out to be an anagram of 'I kill to be MP'", he confessed.

Others, though, simply refused to obey the rules. Martin Linton, former *Guardian* journalist and MP for Battersea, laid into the Tories so hard that one of them broke with tradition himself by interrupting to protest. The opening of the Opposition's books, Mr Linton claimed, "would reveal that the systematic sale of honours has always been a significant source of Conservative Party funds".

John McDonnell, who beat the far-right Terry Dickson in Ealing, Acton and Shepherd's Bush, was even more blunt. His predecessor was "a stain on the character of this house", he said. Mr Dickson's "espousal of racism and various corrupt dealings" had brought shame on the political process, and "my constituency can now say 'good riddance' to this malignant creature".

Others were more subtle.

### 'Stephen Pound related the huge but vain efforts he had made to find out even one interesting thing about Ealing North'

hut equally dangerous. Melanie Johnson, whose forerunner in Welwyn and Hatfield, David Evans, had accused her of spawning "four bastard children" and of never having done a proper day's work (she lives with the father of her children and worked as a schools inspector) showed real flair in this department.

Mr Evans was a colourful and even, on occasion, charming character who had enjoyed being an MP. "He will miss it," Ms Johnson concluded, omitting to address the question of whether the House would return the sentiment.

Marin Bell, the independent MP for Tatton, had a similar problem with Neil Hamilton. Admitting that he had "one or two semantic difficulties" with this part of his speech, he paid tribute to the disgraced former minister's constituency work without saying how tireless or otherwise it was, and on the fact that he had "revived the spirit of democracy in Tatton".

Desmond Swayne, Conservative member for New Forest, had a little difficulty with the uniform - his bow ties caused a few comments - and also with grasping the concept of his party's new liberalism. In his maiden speech he claimed prison inmates used to have access to the full contents of the Argos catalogue until Michael Howard came along. "We should eschew surveying favour with the criminal classes," he concluded.

Later, he caused outrage when he quoted the medieval St Bernard of Clairvaux while arguing against women serving in infantry regiments. "To be always with a woman and not to have intercourse with her is more difficult than to raise the dead," he recited, adding: "As one is not capable of the latter, one is certainly not capable of the former."

Class swot - in the nicest possible way - was the Liberal Democrat MP for Lewes, Norman Baker, who made the first maiden speech, in which he claimed to have been listening to Queen's Speeches when his contemporaries were probably watching Tom and Jerry cartoons. He went on to ask more questions in his first

three months than his predecessor had done in 23 years, and made no fewer than 24 interventions in a debate on the hitherto-obscure Plant Varieties Bill, which allowed the patenting of crops.

Mr Baker also distinguished himself by infuriating the Minister without Portfolio, Peter Mandelson, with his constant questions on his activities. In July, Mr Mandelson was moved to hit back by pointing out that this endless inquiring was costing the taxpayer tens of thousands of pounds.

A number of new members deserve bravery awards, not least Michael Foster, Labour MP for Worcester. His rather rash promise to huck a bunting hen if he won the hallot for private members' Bills came back to haunt him. Despite some disapproval from his own side, he did not flinch, though his career prospects will probably not have improved. Similar honours go to the 14 new members who stuck to their principles and voted against the Government's proposals to cut lone parents' benefit earlier this month.

Some, though, distinguished themselves mainly by not speaking in class. Fiona Jones, Labour MP for Newark, has been putting off making her debut in the chamber but hopes to catch the Speaker's eye today. She says her homework is done, though. "It's been written for two or three weeks. It's just a question of finding the time to get it in," she said. A lame excuse, possibly, but at least she didn't try claiming her dog had eaten it.

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## The present crisis: nine smart solutions

Not quite been able to get to grips with Christmas shopping this year? With just three shopping days left, Holly Davis gives you her tips for the most stylish shopping list for the last minute festive frenzy.

### HOME FOR UNDER £6

These days the truly fabulous are investing more in their homes than on their wardrobes. Bathrooms, kitchens and studies are all just screaming out for a make-over.

1: For a bathtime treat to make Cleopatra jealous, Daisy the cow Milk soap, £5.95, from The Conran Shop, Michelin House, 81 Fulham Road, London SW3, inquiries 0171-589 7401.

2: Scribble sweet nothings in pistachio, cream and baby blue notebooks, £4.50 each from Paperchase, 213 Tottenham Court Road, London W1 and branches nationwide. For stockists, call 0171-580 8496.

3: Aluminium mug not recommended for hot drinks, might be a bit of a scorcher, £4.95, from Muji, 26 Great Marlborough Street, London W1, 0171-323 2208.

### RED FOR UNDER £30

If in doubt, go for something bright and vibrant. Red is always a good winter warmer and, unlike chocolate brown and grey, it never goes out of fashion.

4: Brighten up dark winter nights in red cotton pyjamas, £27.50, from Habitat, as before.

5: Pack up your make-up troubles in a red vanity case, £19.95, The Conran Shop, Michelin House, 81 Fulham Road, London SW3, inquiries 0171-589 7401.

6: Dress up like Little Red Riding Hood in a red hat complete with plaits, £19.50, from The Hat Shop, 14 Lamb Street, London E1, inquiries 0171-247 1120.

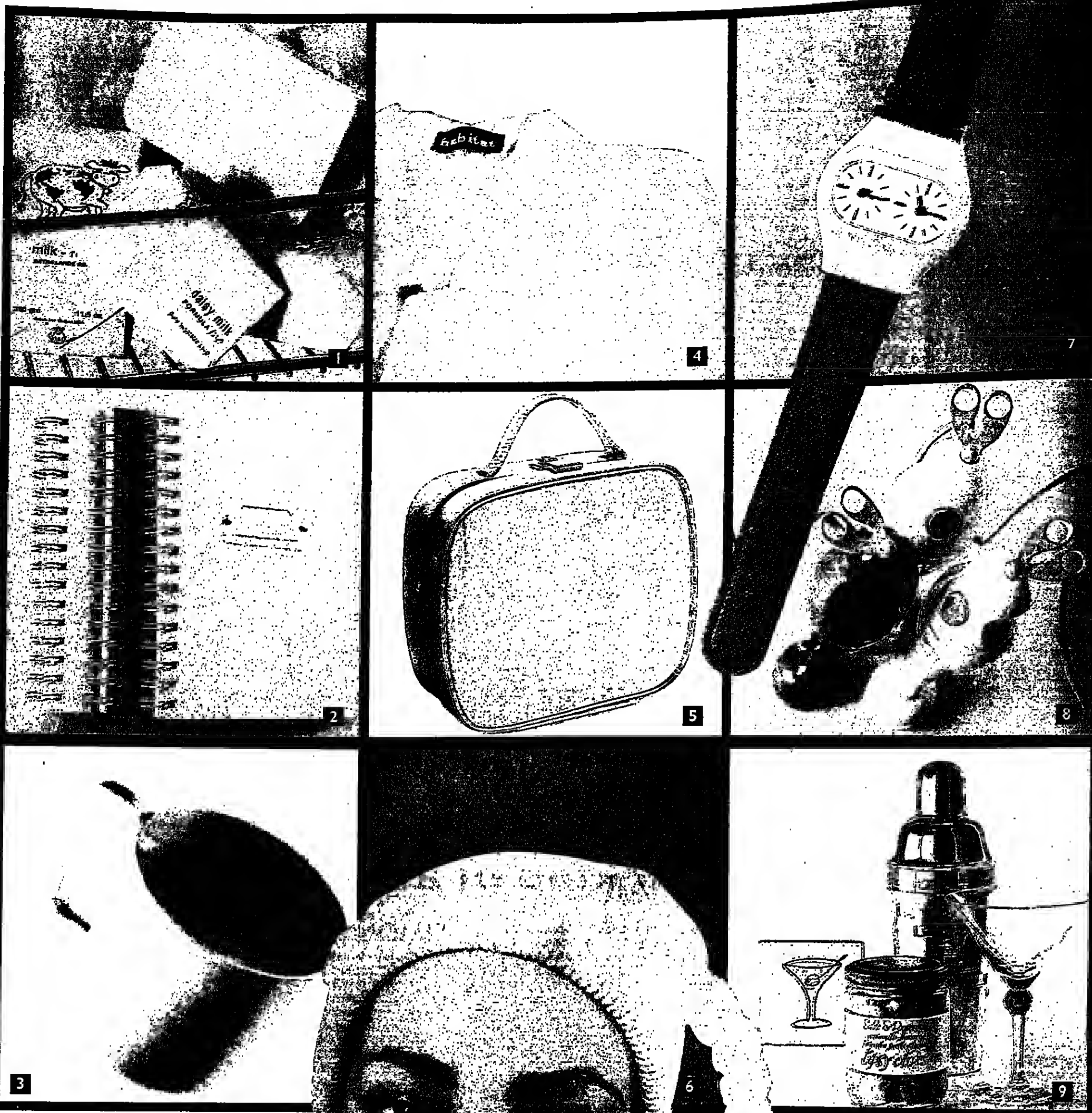
### GADGETS FOR UNDER £50

Everybody loves a gadget on Christmas Day, something they can plug in, shake up, wind up and play with for the day. It's not just children who want toys for Christmas.

7: Two-timing made simple with a Dual face watch, £47.50 at Paperchase, as before.

8: Practise your saucy skills and combine it with a Billy Whisk, £19.75, by Phillips, available from John Lewis, Oxford Street, London W1 and branches nationwide; inquiries 0171-629 7711.

9: Mix the perfect cocktail every time with a classy shaker. Just twist the sections round for cocktail recipes, £49 from Jerry's Home Store, at Bentalls in Kingston; Harvey Nichols, Knightsbridge, London W1, inquiries 0171-581 0909.



Additional research by  
Caitlin Oliver, Kam  
Christensen, Hazel  
Holtham.

### Christmas comes early

One advantage of leaving your Christmas shopping to the last minute is that you can scoop up some bargains in the pre-Christmas sales, says Tamsin Blanchard.

If you are one of those Christmas Scrooges who wishes you could postpone Christmas for a week so you could do all your shopping in the January sales, your dreams have come true this year.

Every year the sales seem to start a little earlier. Liberty has reduced most of its fashion merchandise by 25 per cent. "It's an early Christmas present," said a Liberty spokesman. People are panicking for that last-minute dress and they all know that by Saturday, prices will be

slashed. They might as well have that little extra incentive to buy now.

Among the bargains worth searching out at the Regent Street store is a rose embroidered dress by the designer of 1997, Alexander McQueen. Other sales that will be starting fashionably early include...

#### Whistles

Plum velvet tie coat was £570 now £400  
Sparkly lurex dress was £115 now £79  
Black pencil skirt was £110 now £55

#### Aquascutum

Mens suits were £425 now £295  
Ladies cashmere coat was £1,295 now £895  
Ladies 100 per cent wool suit: jacket was £350 now £225, skirt was £150 now £95



Embroidered dress by Alexander McQueen, was £259, now £195, from Liberty, Regent Street, W1

Photograph by Ben Elwes

#### Comme des Garçons

Navy long wool/chiffon dress was £325 now £230  
Navy woolen/chiffon skirt was £390 now £275

Brown wool cardigan was £325 now £230

#### Gina shoes

Long chocolate olive suede boots were £450 now £295  
Red snakeskin court shoes were £225 now £139  
Black ankle cowboy boots were £295 now £195

#### Nicole Farhi

Red crepe wrap-over dress was £1,520 now £912  
Long camel coat was £1,741 now £1,045  
Pinstripe trouser suit was £1,591 now £954

#### Walls

Black dress was £50 now £25  
Long cashmere trimmed coat was £179 now £120  
Velvet fur-trimmed jacket was £120 now £80

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# 15/INTERVIEW



## Portrait of Helen Mirren as you'd never dream of her (a very special kind of auntie)

### HELEN MIRREN

The actress and her nephew tell Lynne Wallis how he became the son she never had.

"My grandmother had 14 kids, our mum had three, and my sister Kate and I have one between us, which is why Simon is so important. That's a hell of a shrinkage over three generations. I fell in love with Simon when he was a little boy. We used to call him 'Tiger' after the old Shell adverbs, and he was always very funny, never grumpy or a tortured soul. The main thing, the bond, is that he's my nephew, but we also get on incredibly well. If I do screen work I'll show it to Simon before I've even looked at it, and I've done that from before we even knew he could write. It's partly because I want to stay in touch with the young generation. Now, I get the tapes sent straight round to him when they come through.

Simon's mother and I became best friends after we both left home to go to college. The distance prompted our discovery of each other, by phone mostly. Kate and Simon and I are always on the phone now. Last year, when my mum died we all realised how much we rely on each other. When there aren't many of you it distils the experience down. We're all very close, but the appearance of Simon as a writer has taken us all by surprise, because we didn't know! He'd always told stories, but we had no idea he had all this inside him. It makes you realise you don't know children at all, and I can understand why parents get so hooked up on exams, because they are often the only measure you have of how they are progressing.

Kate and I both did well in exams, while Simon didn't, but his imagination is unbelievable and because he is instinctive, not intellectual, he is a 1,000 times better writer for not having had Chaucer forced down his throat at university. It would have ruined him, been a real tragedy. (I must say though, his spelling is so awful that not even

spellcheck can spot the mistakes, because he'll spell "wear" as "ware").

The aunt/nephew relationship is a fab one, almost as good as being a grandmother. Simon is exactly like my son, except that he's not. There is no chastising, only spoiling, and you can be racy, and break all the rules. I've never wanted kids but I'm very happy to enjoy other people's, and I'm incredibly lucky to have Simon. Because he's been around us, he's not afraid of women and he's never an arsehole, like these neurotic men who are all messed up. It's just not in his nature, because he's so open.

Simon and I generally like the same things, but I'm more likely to enjoy an art gallery than he is, and I'm not as into music as him. We used to go out to trendy bars

almost gothic extravaganza, and I knew it was populist. Simon was the first to see it on tape. He would always express it delicately if he didn't like it. I can't stand brutal truth. I'm too fragile.

He's mercurial in temperament, emotional, and he will cry but he's also very manly and it's a wonderful mix. That was why he got on so well with Liam Neeson when we were together. Liam grew up around women and is very like Simon, hokish but emotional. Simon is also very protective and I could absolutely rely on him to fight my corner.

He never, ever calls me aunt, it's not allowed, but for about three years now I've said "It's your aunt" into the phone. He has become more and more important to me as we've got older, and it's easy to love a nephew unconditionally because at the end of the day it's not your investment. Our relationship isn't as fraught as parent/child because aunts aren't judgmental, but you do miss out too. I love Steve Martin's film *Parenthood* and at the end I was in floods of tears because I'll never know the pain and the pleasure of it - of parenthood.

I've never worried about my age except when I was 15 and I didn't want to be 18, unlike most girls who can't wait to grow up. Thirty-two is the best age because things just get better and better. People become more interesting from about 25 - they develop character and their personalities come out. It's great to see someone like Simon reveal their individuality. I do worry about the Mirren thing, and I'd hate to see it go against him, for it to look as if he were using the name, because he doesn't. He's got his work on his own merit. I also worry about the culture of celebrity, because he was born in London and grew up with it. Everyone wants to be a movie star or a model, to be in the papers, but few realise just what hard work it is, getting up early, and so on. I worry about it less with Simon now because he's had life experience. It's as if everything that happened to him until now was meant to be, exactly right for him to be a writer. It's such a relief he's discovered what he wants to do.

### SIMON MIRREN

"I took the name Mirren for my mum's sake, in recognition that it was she who brought me up - my dad bailed out when I was 11. After that, I was always around women. We're a very close family, partly because there aren't many Mirrens left, and when I'm with Helen and my mum, we talk and talk, about everything and anything.

My auntie Helen is like my mum number two, and we're very close. I grew up in south-east London and we never had much money, but all the way. Helen has helped us out financially. My mum, a teacher, four years older than her sister, is tough just like Helen, and the good thing, for me as a writer, about growing up with strong women, was that it gave me the woman's perspective. It was invaluable in terms of understanding how women's minds work. I'm not an intellectual writer - I write about real people and real situations.

Kate and Helen weren't always as close as they are now. When I was born, everything changed because my mum had so much love for me while Helen wanted to achieve something else with her life and she knew she wouldn't have kids. That difference, that understanding, brought them closer, and I am to Helen like the son she never had. I don't think Helen has any regrets about not having kids, but I have to admit I would have loved to have seen her as a mother. She would have been great. My pet name for her is Pops, short for her mother's nickname for her, Popper. Helen and I both love telling stories and we're both real lefties.

When I was a plasterer, doing Michael Grade's ceiling, I went to Baffa for the preview of *Prime Suspect* with Helen. I wasn't blown away by the event because people are people whether plasterers or film stars, but I was terrified seeing my lovely little aunt in the middle of all this attention, the cameras, all this mayhem. The press thought "ah, toyboy" and were so

disappointed to discover I was a Mirren. It became obvious then that *Prime Suspect* was going to be something really big, and she wouldn't let me go from her arm. Everyone was raving about it but she came straight over to me and said, what do you think? Later on when she won the awards I was in tears but she was so cool.

Helen is such a grounded person, she's definitely of the earth. She enjoys the respect she has earned but she never name-drops, and she is genuinely interested in other people, which is partly what makes her such a great actress - people-watching. Helen can handle any situation, and she isn't afraid of saying whatever she believes. People say she is controversial and she's not, she just isn't a coward. It wasn't

**I was terrified seeing her in the middle of all the cameras, all this mayhem. The press thought 'ah, toyboy'**

easy being an actress in the Sixties, and she has learned to stand up and say her piece if she feels strongly about something. She is a very driven woman, who is doing exactly what she's always wanted. Helen advises me about work and scripts all the time, but her career decisions are strictly down to her. I never get involved. One particular occasion when I felt my sense of worth to her when she was in a play called *Ser Please, We're Italian* which wasn't hugely successful and I was some comfort I think. I said, you chose this career, and these things happen, don't worry about it, although personally, I loved it. Helen says it's one thing getting there, and another staying at the top. It's ironic that in her thirties she was very scared of getting old,

dreading the forties, and it's during her late forties that her career has really come together.

I lived in Helen's flat for six years, and I see her a lot when she's around. We'll all be together at Christmas - my girlfriend Louise handles Helen's PR and they're good mates. I think Helen will come back to London to live soon. She's tired of LA now. She's in England often and when she's here I tend to cook in for Helen and her man Taylor at my place in Battersea, although my wallet had a real shock at how much Helen's favourite champagne, Krug, costs. Everyone thinks Helen smokes but she hates it. She thinks it's a really stupid thing to do, but would never nag me about it. The great thing about Helen is she'd never say, you should do this. She'd say, I think it might be better if you did this, not that. I go to my mum and to my mates with problems, but if it was something really full on, involving say the way I was bringing my daughter up, I'd go to Helen. I don't know if she realises just how much I listen to her.

Her mother died last year and it brought us all even closer together. Kate was close to her father, Helen to her mum. I think we all realised that even if someone is adored by everyone, at the end of it they are surrounded by about three people, and it made us realise how valuable the time we have together with those we love actually is. I'm so proud of her, and I want her to be proud of me one day. I've written for *The Bill*, and I'm doing *Casualty* soon, but I know she'd like me to do something like *Prime Suspect*. I'm blessed that I've got her as my aunt, and my mates adore her.

I remember when I was about 10, Helen and I and the rest of the family were planting carrots out in the country. She's a keen gardener. It was an idyllic moment, and Helen said, do you know what is so sad? You will never remember this. That made me remember it. Recently, I said, do you remember when we planted those carrots? She didn't remember at all.

Deborah Ross is away

**When he was a hospital chaplain, he had literally to gird his loins before entering the geriatric ward. 'They're at just the right level in wheelchairs,' he explained**

Harvest Festival and Christmas must be low spots in the calendar for the old people who live within visiting distance of our primary school. At Harvest Festival they get all the tins of Spam and sandwich spread donated by parents (usually still bearing the tombola ticket from the summer fair), and then at Christmas the geriatrics at the local hospital are dragged from the day room and expected to smile sweetly as Year Six squawk their way through a medley of festive hits.

But they are starting to fight back. This year, my son reported

with a certain amount of hurt pride, one old woman in the front row sat through the whole concert tapping her feet to a different tune: she was plugged in to a Walkman. That, however, was fairly tame behaviour compared to the heckling my older son got when his class went to do their hit. "This is crap! Crap! Stop the show," shouted an otherwise sweet little old lady at the back as they struggled to hit the high notes of "Silent Night" without the aid of rubber bands. The local vicar confirms that old people just do not know how to behave these days. "Religion

and sex," he confides darkly, "are always the last to go." When he was a hospital chaplain, he had literally to gird his loins before entering the geriatric ward. "They're at just the right level in wheelchairs," he explained with reference to his groin. "I would be murmuring 'the body of Christ' and they'd reply 'I bet you've got a big willy.' Must start going to church - I'm told he gives good sermons too.

New Labour, new pantomime villains. Once a year, just to remind myself of why teachers need at least 12 weeks' holiday,

I accompany a school trip; but I choose well, avoiding anything that might involve too much interaction with the pupils (so difficult to like other people's children isn't it?). This time it was a production of *The Pied Piper* at the wonderful little Orange Tree Theatre in Richmond. The villain of the piece was a Spin Doctor, chillingly modelled on Peter Mandelson. It may have gone over the children's heads but it certainly frightened us grown-ups.

I don't know what Father Christmas made of my children's lists.

There can't be many 11-year-olds who want a thermometer for Christmas - one of those gun ones that you stick in your ear. We had to have the doctor round to him yesterday as his temperature had reached previously unscalped heights. (I wasn't too worried because he hadn't lost his sense of drama - "I'm going to sleep now - probably for the last time" he croaked. "And when I die will you have a room full of photographs of me?")

Having failed to reach any other diagnosis, the doctor - in that smugly provocative way

they have - pronounced that he was inclined to think "that this is the first real case of flu I have seen this year". No, he insisted, the flu my son had two weeks ago was not real flu - and why not? Because I had not called the doctor, and parents always call the doctor when their children have flu.

I hope Ffion is an optimist. I read all the newspaper gush at the weekend eulogising her "hour-glass figure". An optimist would say that referred to a small waist. A pessimist would say it meant a big bottom.



DINAH HALL

CALL 0930 544



## Masaru Ibuka

Masaru Ibuka, electronics engineer and industrialist, born Niihara, Japan, 11 April 1908; founder, Tokyo Tsushin Kogyo (later Sony Corporation) 1946, president 1950-71, chairman 1971-76, honorary chairman 1990-94, chief adviser 1994-97; twice married (one son, two daughters); died Tokyo 19 December 1997.

In the land of the "economic miracle" the Japanese themselves coined the term "economic animal" to define what they perceived as their role in the jungle of international trade and industry. Masaru Ibuka, the co-founder of one of post-war Japan's industrial giants, was no animal. He was the blessed exception, a human genius of a kind that is becoming increasingly rare. He belonged to an endangered species, preserved in his natural habitat, the Sony factory.

Ibuka was educated at Waseda Senior High School and Waseda University, where he made his mark as a research engineer in the photochemical laboratory. While he was working there, in the years 1933-37, his first brilliant invention was

a form of neon called "modulated light transmission system". This won a prize at the 1933 Paris Exhibition. He was described as a "student inventor of genius". It was a form of imaginative intuition that gave him his flashes of inventive inspiration.

This unique insight is almost an artistic gift, and is rare in Japan, as he discovered in his post as manager of the Radio Telegraphy Department of Japan Audio Optical Industrial Corporation, from 1937 to 1940, and as managing director of the Japan Measuring Apparatus Co. 1940 to 1945. In May 1946, Ibuka founded Tokyo Tsushin Kogyo (Tokyo Telecommunications Engineering Co), which was to become the Sony Corporation.

The Japanese economy after the Second World War was in a state of complete collapse. The company was capitalised at only 190,000 yen and employed 36 people. Management policy was to keep the company to a workable size, and not to chase grandiose ambitions. At the modest party celebrating the company's foundation, Masaru Ibuka made a speech, saying: "We can never achieve anything if we try to do things as big com-

panies do. But there are lots of empty commercial slots we could occupy in electronics technology.

"What people call 'business' is, I think, the ability to create things with necessary effort, so that we can earn money wiping the sweat from our brows."

Ibuka had a very pure sense of business, and claimed that he had almost no management ability, and few ideas about how to make lots of money. But he possessed the wonderful human gift of being able to attract the right kind of collaborators, those rare people with talent and imagination. Among them was Akio Morita, who was to take over from Ibuka as Sony's chairman, and a number of young "disciples". Working for Ibuka was like joining a sect.

Yet the development of the company was a sequence of failures and successes. Ibuka's first bright idea was to create an electrically heated carpet, ideal for spreading on chilly tatami, and it sold very well. But it had no thermostat, and no adiabatic material, and he was worried in case one caused a fire. Then the main hall of Hanyuji Temple in Nara was burnt down by an elec-

tric "sitting mat" of the same type - not made by Ibuka's firm; so he stopped making the product.

The company's first big success was the creation of the first Japanese tape recorder. Ibuka started painting metallic tape with a magnetic substance, a paste that was initially applied to the tape by hand, with brushes made from the hairs of *tanuki*, the beloved Japanese badger. It was first produced in February 1949, and gradually gained world-wide renown. They also made a very high-quality tape recorder called "Betamax", but this was a failure. These ideas came from Ibuka's long experience in the photochemical laboratory.

From his early career in electrical engineering he developed a transistor radio, another huge success that led to Sony's becoming a world-wide enterprise with production outlets in the United States, Great Britain, Holland, Hong Kong and many other countries. The item entered world history when the prime minister of Japan, Eisaku Sato, visited France and greeted de Gaulle with the gift of a Sony transistor, whereupon de Gaulle called him "the transistor salesman".

Ibuka supervised the team that invented the Trinitron TV System in 1967, the first high-quality colour transmission technique. His company, officially known as the Sony Corporation from 1958, produced among other things the stereo "Walkman" headphone that became such an essential part of youth culture. With Philips, Sony later co-developed several products, including compact discs.

Masaru Ibuka was twice married. For his second wife, he chose a woman he had been in love with since his youth. This remarriage, after a waiting period of 30 years, was regarded in Japan as highly romantic, and Ibuka was called "the last romanticist to be born in the Meiji Era". But he had many other titles and honours: he was a Foreign Associate of the British Academy and the recipient of the Order of the Sacred Treasure (First Class), the Order of the Rising Sun (First Class) and the Order of Education's Order of Merit. He was also president of the Boy Scouts of Nippon, and his last title at Sony, dedicated to him with awe and respect, was Supreme Founder and Consultant.



Ibuka: founder of Sony

Ibuka was enthusiastic about early education in childhood, hoping thus to develop a generation of inventors, and wrote two books on the subject, *Zero to One* ("The Zero-Year Child", 1970) and *Kindergarten is Too Late* (1971). After collapsing with arthritis in 1992, he was confined to a wheelchair, where his favourite occupation was listening to company reports.

With Ichiro Honda and Kohnosuke Matsushita, Masaru Ibuka formed the grand trio of famed Japanese industrialists. An artless, endearing human being, he chased a dream and realised it. Economic Animal Farm will never be the same without him.

— James Kirkup

## Lord Dainton

In October 1967 the new Labour government created a future by abandoning the long-planned library extension of the British Museum, without consulting the trustees, writes *Nickolas Barker* [further to the obituary of Lord Dainton by Tam Dalyell, 8 December].

It rubbed salt in the wound by announcing that an independent committee would be appointed to examine all national libraries. Fred Dainton was to be the chairman of this committee, and the work that it did, after this unpromising start, changed the library system of the country to a remarkable degree.

Briefed to review the British Museum library, the National Central Library (the clearing house for inter-library loans), the Patent Office Library and other scientific libraries and consider whether they "should be brought into a unified framework", the Dainton Committee's recommendations went further. The report of the "National Libraries Committee" came out in record time in June 1969.

It endorsed the extension of the British Museum library, the most heavily used in the world, and recommended that the lending libraries should be moved to join the National Lending Library of Science and Technology in York; the saving in expensive London space would offset the cost of building the British Museum extension.

It also recommended the creation of a "National Library Authority" to supervise the new conglomerate, with responsibility for future national planning, the application of automation to library services, including the Copyright Deposit system, and linking up with international information retrieval systems. The report was thorough and well thought out; the ideas and their expression bore strong signs of the chairman's beliefs and opinions.

Its fruits came in 1972 with the passing of the British Library Act, under the aegis of Lord Eccles, Paymaster-General with responsibility for the arts. The British Library, separated from the British Museum and linked to the other libraries on paper rather than in fact, was different from the Dainton Report's "National Library Authority", but not markedly so. Its influence on the entire library system of the country has been deep and far-reaching, and that is largely due to Dainton's 1969 blueprint. The most striking evidence of this is the building of the new British Library building, opened to readers just 10 days before his death.

Dainton succeeded Eccles as Chairman of the British Library Board in 1978, and his seven years there were fruitful in many ways, not least in the final decision to build, though now on the St Pancras site. In this, I had a small part.

One day in 1983 he sent for me and said, "I have to go and see Mrs Thatcher to persuade her that we need a new building. I don't know if I shall succeed, but I know one thing, we must keep the issue very simple."

In 1957 he gave a series of lectures "Method - or Madness", an attempt to clarify the confusion surrounding the Stanislavski style, which was later published successfully in both the US and England, and in 1984 he wrote his autobiography, *Slings and Arrows*. The actor-turned-director Martin Ritt, who was one of his pupils, said, "With Bobby there was a joy in his work - fun, which, considering that the work was always on a high level, is a very significant achievement."

— Tom Vulliamy

## Guido Brunner

What very much surprised me about Tam Dalyell's excellent obituary of Guido Brunner [6 December] was that at no point did he refer to the fact that Brunner was a Liberal, writes *Lord Russell-Johnston*. His becoming a Commissioner and subsequently Ambassador in Madrid while, most certainly,

It must be conservation: I shall go and say, "Mrs Thatcher, we need a new building because all our books will fall to pieces if they stay where they are. I want you to look out half a dozen books that I can take with me and show her how bad things are."

I thought this was a tall order. If I produced anything but stretchers-cases, she would not say, "Well, if they can't look after their books better than this, they don't deserve to have them - give them all to Oxford and Cambridge and close the place down?" So I carefully chose those books that showed how hard we had tried to look after them. But to illustrate the terrible impermanence of acidic modern paper I thought I might cheat a little, so I added a book from home, a Penguin of Michael Innes's *From London to Far*, printed in 1965 on paper so brittle now that it fell to pieces as you turned over the pages.

All the exhibits were packed in special boxes with labels explaining the problem, and the Chairman set off for Downing Street. Some hours later I went to collect the books. "How did it go?" I asked. "Fine," he said. "We've got the new building - those books came in most useful, particularly that paperback." "Oh, good," I said, "it got the point about the paper." "Well, I don't know," he replied. "She said, 'You mean this could happen to Michael Innes?' 'Yes, Mrs Thatcher, I said, 'or any other modern author.' 'But he's the most wonderful writer, of course you must have your building.'"

Tam Dalyell's obituary makes the point that Dr Lee's Professorship of Chemistry at Oxford did not offer the range or quality of influence that Dainton was then able to exert, writes *Michael Rogers*. There was another side to him during that period.

A science editor at Oxford University Press, I was then involved with the development of a series of undergraduate chemistry textbooks. We wanted Dainton's advice on the volume we were planning on chemical kinetics and I made an appointment to see him at the Physical Chemistry Laboratory early one Saturday morning. When I arrived he was with a student, patiently going over a point of chemistry. Presently the student understood what had been puzzling him and left. Dainton could not conceal his delight that the student had taken up the invitation to come and see him if anything in his course needed further explanation.

Evidently he took his teaching duties seriously, and greatly enjoyed them.

May I give another example of Fred Dainton's deft ways of dealing with militant students while Vice-Chancellor of Nottingham? writes *Professor Nicholas Kurti*. He once returned the manuscript of an aggressive pamphlet underscored in red giving the students the go-ahead provided they put into good grammatical English. I believe that the pamphlet was never published.

During his period in the Commission, I met him often at European Liberal meetings and at Liberal International. His Liberalism inspired and drove his thinking and should not be ignored.

Said was completed, 1956; Southern Rhodesia left the Commonwealth, 1966; Kurt Waldheim was elected Secretary-General of the United Nations, 1971; a violent earthquake in Guinea resulted in over 400 deaths, 1983; a Pan American jet was crashed on to the town of Lockerbie in Scotland, killing all 259 passengers and crew, and 11 people on the ground, 1988. Today is the Feast Day of St Chasmodon and Others, St Flavian of Tuscany, St Ischyron and St Zeno.

**Lectures**  
Victoria and Albert Museum: Julian Litten, "Fifteenth-century English Church Art", 2.30pm.

**Changing of the Guard**  
The Household Cavalry Mounted Regiment mounts the Queen's Life Guard at Horse Guards, 11am.

## Robert Lewis

Robert Lewis, actor, theatre director and acting coach; born New York 16 March 1909; died New York 23 November 1997.

A co-founder of the legendary Actors' Studio in New York, Robert Lewis coached such stars as Marion Brando and Meryl Streep. His work as a theatre director included the original Broadway productions of *Brigadoon* and *The Teahouse of the August Moon*, while as an actor he is remembered as the Oriental merchant who woos Lucille Bremer in one of the film musical's crowning glories, the Limehouse Blues sequence in *Ziegfeld Follies*.

Born in New York City in 1909, Lewis studied cello at the Juilliard School of Music before deciding he would rather be an actor, though his short and round stature precluded romantic leads. He made his first appearance on stage with the Civic Repertory Theatre in 1929, and two years later joined the Group Theatre Acting Company, newly formed by Lee Strasberg, Cheryl Crawford and Harold Clurman and noted for its adherence to the acting theories of Stanislavski. Lewis played his first sizeable role as a comic intern in Sidney Kingsley's *Men in White* (1934).

The same year one of the group's members, Clifford Odets, wrote a play about union corruption, *Waiting for Lefty*, which caused a sensation and which featured Lewis as a labour spy exposed at a union meeting by his brother (Ella Kazan). Odets became the group's prime playwright, and in 1937 wrote their biggest success, *Golden Boy*, in which Lewis played the prizefighter promoter Romy Gottlieb. When the company performed the play in London, the critic James Agate wrote, "The acting attains a level which is something we know nothing at all about."

After making his directorial debut with the touring company of *Golden Boy* starring Phillips Holmes, Lewis was given a new production, William Saroyan's *My Heart's in the Highlands*, into which he instilled a mixture of music, colour, rhythm and movement which he felt was sometimes lacking in

group productions with their emphasis on psychology.

Saroyan's account of a poet's attempts to create in a hostile world, and how people are nourished by art, remained Lewis's favourite throughout his life ("my firstborn"). The next three years though were frustrating ones - he was fired by the Theatre Guild as director of Saroyan's *The Time of Your Life* (the chief of the Guild told him, "After you and Orson Welles, no more geniuses!"), and directed two failures, John Garfield in *Heavenly Express* and Montgomery Clift (a lifelong friend) in *Mexican Mural*. When the Group Theatre disbanded through lack of funding in 1941 he spent a year as a professor at the Yale School of Drama, then went to Hollywood as dialogue director/actor at Fox.

He made his screen debut in John Brahm's *Tonight We Raid Calais* (1942) as a French collaborator, then played a Nazi colonel in *Paris After Dark* (1943). Moving to MGM, where he directed several screen tests including that of Cyd Charisse, he was cast as a Japanese villain ("I had an uncanny way of looking genuinely Oriental") in *Dragon Seed* (1944), which inspired Vincent Minnelli to use him in a framing section for the Limehouse Blues number in *Ziegfeld Follies* (shot in 1944 but released in 1946). In this magnificent sequence, Lewis (as a Chinese merchant who flirts with Lucille Bremer in the sidestreets of London's docklands) devised an effective hit of business in which he discarded a cigarette with one hand while with a cane in the other he viciously slashed at it.

But the studio ignored his requests to direct a feature, and after playing a German officer snarled at by the canine star of *Son of Lassie* (1945), he left MGM and accepted a role offered by his friend Charlie Chaplin in *Monsieur Verdoux* (1947). As Botello, the chemist from whom the wife-murderer Verdoux buys poison, he found Chaplin the perfect director. "He gave me one direction: 'He's the kind of bore who doesn't talk. He lectures.' That was all I needed. I could start building a character inside and out from the one apt image Charlie gave me."



Lewis, centre, with Anita Loos and Horst Buchholz, rehearsing Cheri (1959)

Photograph: Photofest

Lewis then returned to Broadway to direct his first smash hit, the musical *Brigadoon*. The librettist Alan Jay Lerner later recalled that when Lewis first asked him what the show was about he had responded with a description of the story, to which Lewis replied, "That is not what you have written at all. What you have written is the story of a romantic who is searching and a cynic who has given up. In the end cynicism is proved wrong." Lerner credits this insight with enabling him to deal with imperfections in the script and complete the final draft. (The two men were to have less harmonious relations 18 years later, when Lerner refused Lewis's pleas that he cut and re-shape the libretto for *On a Clear Day You Can See Forever*.)

Lewis and Ella Kazan had long dreamed of starting something similar to the defunct Group Theatre, and in 1947 created, with Cheryl Crawford as administrator, the Actors' Studio, a workshop where talented actors could get together (for no fee) and practise their craft. Kazan worked with younger

actors on technique, while Lewis took those with experience and rehearsed scenes with particular emphasis on subtext. Actors in Lewis's initial classes included Brando, Montgomery Clift, Anne Bancroft, Eli Wallach, Jerome Robbins, Maureen Stapleton and Patricia Neal, who failed to find favour with her coach. "It was deadly between us," she later wrote, "real hate. According to him, everything I did was wrong," but she admits to "the prestige that went with being a founding member of the Studio".

After a year, Lewis resigned when he felt betrayed by Kazan over a theatre project. Having been offered direction of the Kurt Weill/Alan Jay Lerner musical *Love Life* and, having strong doubts about the project, Lewis showed the script in Kazan, who advised against doing it. Lewis turned it down and it was offered to Kazan, who accepted. Lewis instead directed Marc Blitzstein's *Regina* (1949), an operatic treatment of *The Little Foxes*, and was praised for the convincing performances he extracted from the singing cast. "For once," said Brooks Atkin-

son, "the operatic form in which most of the dialogue is sung does not seem artificial." It was the start of a prolific period throughout the Fifties, including his direction in 1950 of Samuel Taylor's hit comedy *The Happy Time* and Ibsen's *An Enemy of the People*, for which Lewis persuaded Arthur Miller to do a new translation.

In 1952 he directed Truman Capote's first play *The Grass Harp* and the following year John Patrick's successful comedy *The Teahouse of the August Moon*. (As with *Brigadoon*, Lewis staged the West End production - both shows at Her Majesty's Theatre.) After the Broadway version of Agatha Christie's *Witness for the Prosecution* (1954), Lewis directed his only film, the Bing Crosby musical *Anything Goes* (1955), distinguished by the superb dancing of Donald O'Connor, Mitzi Gaynor and Zizi Jeanmaire.

He returned to the musical theatre with *Jamaica* (1957) starring Lena Horne. Lewis solved the show's hook problems (it had first been conceived for Harry Belafonte) by putting

Horne "front and centre most of the time, which is what audiences wanted to see and hear". He directed the London version of *Candide* (1959), but from the mid-Sixties worked away from the mainstream, directing shows and workshops both in America and abroad, teaching at Yale (where he became Chairman of the Acting and Directing Departments and coached Meryl Streep and Sigourney Weaver) and running his own Robert Lewis Theatre Workshop, which started in 1952 and lasted until his retirement in 1974.

In 1957 he gave a series of lectures "Method - or Madness", an attempt to clarify the confusion surrounding the Stanislavski style, which was later published successfully in both the US and England, and in 1984 he wrote his autobiography, *Slings and Arrows*. The actor-turned-director Martin Ritt, who was one of his pupils, said, "With Bobby there was a joy in his work - fun, which, considering that the work was always on a high level, is a very significant achievement."

— Tom Vulliamy

## DEATHS

SHARPE: Beth, unexpectedly at home in Berwick-upon-Tweed on 17 December. Funeral service in Edinburgh, Monday 22 December. No flowers.

## IN MEMORIAM

SMITH: In loving memory of our dear mother, Margaret Ella, died 8 March 1978, also our most precious and devoted sisters Gladys, died 2 May 1997, and Evelyn, died 24 August 1997. Deeply loved and sadly missed always. Jack and Dave.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS (Births, Adoptions, Marriages, Deaths, Memorial services, Wedding anniversaries, In Memoriam) should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 5DL, telephoned to 0171-293 2012 (24-hour answering ma-

## BIRTHS, MARRIAGES & DEATHS

chine 0171-293 2011 or faxed to 0171-293 2010, and are charged at £6.50 a line (VAT extra).

OTHER Gazette announcements (notices, functions, forthcoming marriages, marriages) must be submitted in writing (or faxed) and are charged at £10 a line, VAT extra. They should be accompanied by a daytime telephone number.

The OBITUARIES e-mail address is [obituaries@independent.co.uk](mailto:obituaries@independent.co.uk). The Independent's main switchboard number is 0171-293 2000.

## Forthcoming marriages

Dr F. H. Sansbury and Dr H. M. Schlich. The engagement is announced between Francis, son of Canon and Mrs Christopher Sansbury, of Long Melford, Suffolk, and Henrietta, daughter of Mr and Mrs Stephen Schlich, of Broadcyst, Devon.

## Birthdays

Air Chief Marshal Sir John Aiken, 76; Lady Archer of Weston-super-Mare, scientist, 53; Sir Douglas Brown, High Court judge, 66; Mr Robin Corben MP, 64; Viscount Davidson, former governor of whip, 69; Mr Noel Edmunds, television presenter, 49; Mr Maurice Gibb, of the Bee Gees, 48; Mr Robin Gibb, of the Bee Gees, 48; Miss Patricia Hayes, actress, 88; Mrs Karin Jozien, scul-

tor, 83; Dr Judith McClure, Headmistress, St George's School, Edinburgh, 52; Sir Trevor Morris, Chairman, Police Information Technology Organisation, 63; Mr Chris Old, former England cricketer, 49; The Rev Lord Sandford, former government minister, 77; Lord Sion, former Senator of the College of Justice in Scotland, 88; The Duke of Westminster, Chancellor, Manchester Metropolitan University, 46; Mr Ken Whitmore, playwright, 58; Sir Peregrine Worsthorne, journalist, 74.

## Anniversaries

Births: Roger II, King of Sicily, 1095; Hermann Samuel Reimarus, theologist and philosopher, 1694; James Edward Oglethorpe, colonist and founder of Georgia, 1696; Jean-Etienne Liottard, painter, 1703; Carl Friedrich Abel, composer, 1733; John Crome ("Old Crome"), land-

scape painter, 1768; Franz Abt, composer and conductor, 1819; Jean-Fabre, naturalist, 1823; Charles Stuart Calverley, poet and parodist, 1831; William Hale White ("Mark Rutherford"), novelist, 1831; John Nevil Maskelyne, stage magician, 1839; Teresa Carreno, Venezuelan pianist, 1853; Giacomo Antonio Domenico Michele Secondo Maria Puccini, operatic composer, 1858; Edwin Arlington Robinson, poet, 1869; Franz Schmidt, composer, 1874; Edgar (Edgar) Victor Achille Charles Varese, composer, 1883; Deems Taylor, composer, conductor and pianist, 1900; Pierre Brasseur ("Pierre-Albert Espinasse"), actor, 1905; Deazhe Autus Vitellius, Roman emperor, beheaded AD 69; Francois Clouet (Jame), miniature painter, 1572; Maximilien de Beithune, Duc de Sully, soldier and statesman, 1641; Giovanni Francesco Barbieri (Guericino), painter, 1660;

Richard Alleine, religious author, 1681; Michel Baron (Michel Boyron), actor and playwright, 1729; Jan Dmas Zelenka, composer, 1745; Simon Mathurin Lamer Harris, grammarian, 1780; Sir Philip Francis, civil servant and author, 1818; The Rev Martin Joseph Routh, scholar, 1854; George Eliot (Mary Ann Evans), novelist, 1880; Henry Watersun, journalist and politician, 1921; Dwight Lyman Moody, evangelist, 1897; Baron Richard von Kraft-Ebing, psychiatrist, 1902; Nathaniel West (Nathan Wallenstein Weinstein), novelist, 1940; Franz Boas, anthropologist, 1942; Helen Bearrix Potter, author and artist, 1943; Harry Langdon, silent film comedian, 1944; Richard Frederick Dumbleby, television commentator, 1965; Josef von Sternberg, film director, 1969; Darryl Francis Zanuck, film producer, 1979; David Penhaglan MP, killed in a car accident, 1986; Lord

(Ted) Willis, playwright, politician and author, 1992. On this day the Gregorian calendar was introduced into Germany and Switzerland, 1583; James Stuart, the Old Pretender, landed at Peterhead, 1715; the first pantomime in England was staged at the Lincoln's Inn Theatre, 1716; Beethoven's Fifth and Sixth (*Pastoral*) symphonies were first played, Vienna 1808; Savannah, Georgia, was occupied by General Sherman commanding the Unionist forces, 1864; Alfred Dreyfus was convicted and sentenced to imprisonment on Devil's Island, 1895; the Ministry of Pensions was first set up, 1916; the musical show *Little Time* was first produced in London, 1922; In Java, the Merapi volcano erupted, causing over 700 deaths, 1930; the musical show *Balalaika* opened in London, 1936; the musical show *High Button Shoes* was first produced in London, 1948; the withdrawal of British and French forces from Port

Said was completed, 1956; Southern Rhodesia left the Commonwealth, 1966; Kurt Waldheim was elected Secretary-General of the United Nations, 1971; a violent earthquake in Guinea resulted in over 400 deaths, 1983; a Pan American jet was crashed on to the town of Lockerbie in Scotland, killing all 259 passengers and crew, and 11 people on the ground, 1988. Today is the Feast Day of St Chasmodon and Others, St Flavian of Tuscany, St Ischyron and St Zeno.

Changing of the Guard  
The Household Cavalry Mounted Regiment mounts the Queen's Life Guard at Horse Guards, 11am.







## Chaos in Far East escalates as IMF cuts growth forecast

World stock markets are  
braced for another  
turbulent trading period  
as the Far Eastern crisis  
deepens. Growing  
concerns come as the  
International Monetary  
Fund forecasts that Asia's  
woes will slow world  
growth next year. Diane  
Coyle, Economics Editor,  
and Andrew Yates report.

### The new IMF forecast

Country	1997 (est) %	1998 (new forecast) %	Revision
World	4.1	3.5	-0.8
Advanced economies	3.0	2.5	-0.4
US	3.8	2.4	-0.2
Japan	1.0	1.1	-1.0
UK	3.5	2.4	-0.2
S. Korea	6.0	2.5	-3.5
Asian NICs	6.2	3.6	-2.4
Asean 4*	4.0	1.7	-3.7

\* Thailand, Indonesia, Malaysia, Philippines  
Source: IMF World Economic Outlook

The financial chaos escalated over the weekend as three more of South Korea's publicly quoted companies were declared bankrupt, with another, Chun Kwang Industrial, the animal feed manufacturer, indicating that it too will be seeking court protection from its creditors. More than 15,000 Korean companies are reported to have failed this year.

South Korea's finance ministry admitted yesterday that it would have to increase a state fund established to buy bad loans to 30 trillion won (\$12.4bn) from the current eight trillion won. An official at the ministry's industrial finance division said: "We plan to speed up the process of cleaning up bad loans with the financial system as we promised the International Monetary Fund." Analysts estimate that the nation's bad loans figure has risen to over 35 trillion won.

Kim Dae-jung, South Korea's president-elect, faces an uphill struggle to rebuild confidence in the country's ailing economy. "Pressure on interest rates is mounting and the financial bottleneck is battering manufacturers as well as financial firms. The markets' future looks grimmer than ever," said one local economist.

Analysts are forecasting the situation in Thailand will deteriorate as the country becomes gripped by recession. The plunge in the Indonesian rupiah and a rapid rise in foreign debt levels

is also likely to push more local companies into bankruptcy.

The IMF admits that it underestimated the severity of the Asian financial crisis. The repercussions of events in the Far East "have proven much deeper and more extensive than seemed likely only a few months ago," says the interim World Economic Outlook published yesterday by the IMF. It has reduced the fund's forecast for world economic growth next year to 3.5 per cent, 0.8 per cent lower than the forecast issued two months ago.

But the new report goes to some lengths to stress that most of this pain will be felt in Asia itself, provided governments adopt sensible policies in reaction to events. Saying that the rest of the world will "experience a dampening of foreign demand", the IMF has shaved just 0.2 per cent of its forecasts for US and UK growth, and less from its predictions for other European economies.

It even portrays the crisis as a welcome antidote to inflationary pressure in Britain and America. Among the advanced economies, it is other Asian countries like Hong Kong and also Australia and New Zealand that will suffer most.

The document says the impact on advanced economies outside Asia will most probably be "relatively moderate and temporary". Although it cautions that there remains a risk that the out-

look will yet turn bleaker, it says: "The global growth rate projected for 1998 is even now slightly above the average experience of the past two decades," and "notably higher" than during the 1990-93 slowdown.

The report also predicts that - as long as the necessary reforms are introduced - the Asian economies will start to recover in 1999 thanks to their underlying strengths. It does concede a worst-case scenario, if the crisis persists and in the unlikely event that governments fail to cut interest rates in response to the downturn.

This would knock a further 1 per cent off growth in the industrial countries, taking it to 2.5 per cent in 1998 rather than the 3.5 per cent forecast in the new report.

Intended as a corrective to some of the more apocalyptic predictions about the impact of the crisis, the IMF's Economic Outlook expresses the greatest concern about Japan and Korea. Its forecast for Japan's GDP growth next year has been halved to just 1.1 per cent. The fund blames the Japanese government for introducing a much tougher budget policy during 1997, reversing tax cuts before the economic recovery had put down roots.

The prediction for Korea's growth in 1998 has also been slashed, from 6 per cent to 2.5 per cent. Many economists would, still see this is too optimistic.



Thai families look for bargains at a "Formerly Rich" fair in central Bangkok. Over recent weeks, Thailand's wealthy classes have used these sales to sell goods ranging from watches, cameras and pianos to designer clothes and luxury cars - even a small aeroplane. Many Thais have seen much of their wealth disappear in the economic crisis, which analysts predict could worsen. Photograph: Reuters

## 'Why do they always take the most pessimistic view?'

The IMF's revised forecasts have caused dismay in Asia with many people in the region accusing the fund of talking down Asia's growth prospects.

"Why do they [the IMF] always take the most pessimistic view?" said an Asian government official from one of the countries receiving an IMF loan. "With things being as they are, if they talk us down it will become a self-fulfilling prophecy."

The IMF's new figures are, in most cases, more pessimistic than official forecasts from

the individual countries although some of these have yet to be published because individual government forecasters keep being forced back to the drawing board as fresh news of disaster trickles in.

"Undoubtedly, people are going to feel the pain of this adjustment," said Michael Musa, the IMF's chief economist, when he presented the new figures.

The IMF is not alone in admitting that the extent of the financial crisis and its effect on Asia came as a surprise.

It said that it was now uncertain how long the crisis would last and feared that the market turmoil could spread even further.

The IMF, which in recent months has organised a record bail-out of more than \$100bn for Thailand, Indonesia and South Korea, warned again that it was looking for the patients to swallow some bitter medicine in return for its rescue efforts.

In essence, the medicine consists of tough fiscal reforms, curbs on lending to

reduce inflationary pressure and, although not explicitly stated, widespread closures of companies which are heavily in debt.

Malaysia's Prime Minister Mahathir Mohamad, has vowed that his country will not go to the IMF, despite its economic woes, because he views IMF conditions as a recipe for allowing Western companies to buy cheap assets in Asian markets. Moreover, he has asked why the Western bankers who freely distributed excessive amounts of credit

should not have to suffer the same consequences as the recipients.

Dr Mahathir's views are increasingly gaining an audience in the region, not least in South Korea, the biggest recipient of IMF funds.

The President-elect, Kim Dae-jung, has again stressed that he will abide by the terms of the IMF loan agreement but is also pledged to avoid widespread unemployment, an inevitable consequence of the fund's requirements.

- Stephen Vines, Hong Kong

## Computer problems blamed for delay in electricity competition

The electricity watchdog, Oftec, has warned that competition in the domestic power industry may not start on time in April. Chris Godsmark, Business Correspondent, finds that one of the UK's most costly and complex computer projects is to blame for the delay.

Tony Boorman, the head of competition at Oftec, gave the clearest warning yet that electricity competition would not begin on time next April. In an interview with *The Independent*, he said: "I don't know what the date will be. April looks increasingly difficult." It follows a private warning by Professor Stephen Littlechild, the regulator, to industry executives earlier this month, that the deadline was looking "difficult to achieve".

Declining to suggest a new start date,

Mr Boorman, said it would depend on a review by PA Consulting, the programme manager monitoring the project. The consultants are due to produce a report on the timing around 20 January.

"Quite honestly we're considering all the options for a timely opening of the market. When that will be I don't know," said Mr Boorman. "It'll happen some time in 1998. But it's important to have a date we can deliver... A six-month delay would have to assume that the design the industry

agreed had gone seriously wrong and we'd have to go through the whole loop again."

The original plan was for competition to start for all 23 million power consumers in a big bang in April 1998, but Professor Littlechild agreed to phase the introduction over six months to allow slower regional electricity companies to catch up. This timetable would see four RECs, Eastern, Seaboard, Yorkshire and Manweb, able to poach customers in each other's regions from April, with other

companies not joining competition until September.

The problems surround a new version of the so-called "baseline", which outlines all the computer standards and procedures involved in competition. The new industry standard, called "baseline 2", was delayed from October to 12 December and has required many RECs to look again at their systems.

The main problem was the difference in data produced by each of the RECs. Data from the 14 companies involved, including

the two Scottish power groups, should be in the same format, but most systems have evolved different software.

Mr Boorman admitted that "the extent of some of the changes was greater than some had hoped". He went on: "The indications are that it will take longer than we'd expected. It crucially depends on what the RECs say."

The chief executive of one REC, which had been ready to start to begin competition, said he now believed a six month delay was "inevitable".

## Rate rise fear as skill shortages push up pay

Skill shortages are beginning to force up wage settlements, fuelling fears that interest rates may have to rise again in the New Year to curb inflation. The prospect of higher rates comes amid evidence that retailers have experienced a poorer than expected Christmas while some economists suggest that bargains in the January sales will be at record levels as shops try to offload unsold stock.

According to figures from the CBI Pay Databank published today, pay awards are now running at an average 3.4 per cent in manufacturing compared with 3 per cent a year ago and in the quarter to August.

In the service sector, deals were averaging 4.4 per cent in the three months to November, compared with 3.9 per cent in the quarters to last August and November 1996.

Around half of British manufacturers report that cost of living increases were an important upward pressure on settlements. One in five pointed to their need to recruit and retain employees - a sign partly of the shortage of information technology specialists.

Kate Barker, chief econo-

mist at the CBI, said that the figures would need to be monitored closely because of their potential impact on inflation, but argued that the Bank of England should not be "panicked" into putting up interest rates again.

There were indications that economic growth might be slowing down, so that the most important effect for manufacturers of increasing pay settlements would be lower profits rather than inflation. Increased pressure on margins could feed through into job losses, she warned.

Increasing levels of settlements in service industries largely reflected the buoyancy in the business services sector in a quiet part of the year for pay reviews.

Since August there had been a wide variation in awards, reflecting the different circumstances of individual service firms. Some 14 per cent of settlements were at or below 2.5 per cent; 35 per cent between 2.5 and 3.5 per cent; 21 per cent between 3.5 and 4.5 per cent; 17 per cent between 4.5 and 5.5 per cent and the remaining 13 per cent were above 5.5 per cent.

- Barrie Clement

## Safeway denies re-starting talks on Asda merger

Safeway yesterday denied that it has re-started talks with the competition authorities over whether the Government would block a merger with Asda. The supermarket group said it had not had any contact with the regulatory authorities since September, when talks over the £97m merger broke down.

"There has been no attempt to re-open the confidential guidance process," said a spokesman, who added that the constant speculation was disruptive. Asda said last week that it had not had any recent contact with Safeway and ruled out a hostile bid for the company.

### Investors cling to PEPs

The Government's decision to introduce Individual Savings Accounts has not deterred people from investing in PEPs. Sales in November and December are higher than equivalent figures in 1996, according to a survey by PEP Direct, a PEP broker.

"Many investors are angry about the lifetime ceiling and the reduced annual allowance but they want to make the most of PEPs now whilst they can," said the broker. "We are also encouraged by the Inland Revenue's willingness to review the £50,000 limit upwards and hope that our discussions in January will yield results." PEP fund manager Jupiter has been the best performer, providing more than a third of PEPs, almost three times its nearest rival, Perpetual.

### Shore links with Israeli bank

Shore Capital, the investment group, has formed a strategic partnership with Bank Leumi, a subsidiary of Bank Leumi le-Israel, one of the largest banks in Israel. Bank Leumi will take a 25 per cent stake in the UK group. Howard Shore, chairman of Shore Capital, said: "We felt that the momentum would be enhanced if we joined forces with a partner with complementary strengths." A Shore spokeswoman would not disclose the actual price of the deal but said the value of Shore was about £10m.

## Nomura plans shake-up of Intrepreneur pubs

Nomura, the Japanese bank which recently became the largest pub owner in the country with the acquisition of Intrepreneur, is poised to launch an overhaul of its public house estate.

Nomura is already planning to streamline its estate by getting rid of some of its worst-performing pubs, and industry sources believe it will go further and initiate a far-reaching disposal programme.

One City observer said: "It is looking to restructure its estate and is likely to sell a large number of pubs... perhaps as many as 1,000."

Nomura is also eyeing up more acquisitions to add to its 4,400-strong tied estate. The bank was interested in swapping some of its pubs for a large chunk of Bass's tenanted pub business. It lost out in that deal to Hugh Osmond and Roger Myers, the restaurant entrepreneurs.

However, Nomura could now turn its attention to other brewers such as Scottish & Newcastle (S&N) and Whitbread, which are understood to have put some of their own tenanted estates on the market.

Nomura became the biggest pub landlord in the country

when it announced the acquisition of Intrepreneur and Spring Inns for £1.2bn in September.

The deal is due to be completed by April, after which Nomura is likely to combine the two estates to create a huge new pub chain.

Nomura is also close to negotiating a new beer supply agreement to replace its existing contract with S&N. It is likely to strike a deal with all the major brewers under which landlords will be able to order whichever beers they want from a given price list.

Analysts believe S&N will have to offer much larger discounts per barrel but should be able to retain a significant amount of business from existing landlords used to serving its beers.

However, Nomura has inherited a legal threat from hundreds of Intrepreneur tenants who are attempting to sue the pub company for the imposition of unfair tie agreements, which allegedly committed them to paying too much for beer in the past. The legal battle is likely to intensify next year when several test cases come to court.

- Andrew Yates

### STOCK MARKETS

Indices	Close	Wk's chg	Wk's chg %	52 wk high	52 wk low	Yield %
FTSE 100	5020.20	-25.00	-0.50	5367.30	4017.80	3.475
FTSE 250	4705.10	-22.80	-1.11	4965.80	4278.20	3.517
FTSE 350	2416.60	-15.10	-0.62	2570.50	1993.80	3.483
FTSE All Share	2261.28	-14.16	-0.60	2507.88	1979.25	3.474
FTSE SmallCap	2261.10	-5.50	-0.24	2407.40	2138.40	3.352
FTSE Floating	1248.00	-3.00	-0.24	1346.50	1207.30	3.395
FTSE AIM	977.20	-27.00	-2.70	1138.00	865.90	1.084
Dow Jones	7756.29	-87.01	-1.05	8295.00	6344.08	1.764
Nikkei	13314.89	-589.41	-3.71	20610.79	14906.13	1.005
Hang Seng	10405.61	-208.85	-1.97	16820.31	8775.88	4.076
Dax	4084.75	-2.15	-0.05	4459.89	2802.83	1.833

### INTEREST RATES

Money Market Rates	3 month	1 yr	5 yr	10 yr	30 yr	Long bond	1 yr chg
UK	7.70	1.27	7.75	0.76	6.26	-1.36	-1.51
US	5.91	0.31	6.00	0.21	5.73	-0.60	-0.91
Japan	0.71	0.27	0.70	0.14	1.92	-0.64	-0.07
Germany	3.73	0.49	4.01	0.72	5.25	-0.61	5.84

### MAIN PRICE CHANGES

Rises	Price (p)	Wk's chg	% chg	Falls	Price (p)	Wk's chg	% chg
Hamsons	130.00	5.00	8.79	Darling Bus Sys	239.00	6.00	-5.99
Sears	51.00	0.75	1.47	Bloomsbury	477.50	-12.50	-19.75
Racal Electronic	257.00	9.00	3.51	RJB Mining	145.00	-1.40	-12.91
Wimpey	101.50	4.50	7.81	Thames Water	831.00	-85.00	-12.53

### CURRENCIES

£/US\$	£/Y\$	£/A\$	£/S\$	£/D\$	£/N\$	£/I\$	£/C\$	£/M\$	£/P\$	£/R\$	£/S\$	£/T\$	£/U\$	£/V\$	£/W\$	£/X\$	£/Y\$
1.6690	1.6890	1.6890	1.6890	1.6890	1.6890	1.6890	1.6890	1.6890	1.6890	1.6890	1.6890	1.6890	1.6890	1.6890	1.6890	1.6890	1.6890

### OTHER INDICATORS

Commodity	Price	Wk's chg	% chg	Index	Chg	% chg	Next Day
Brent Oil (\$)	16.91	0.14	0.83	GDP	113.90	3.80	109.73
Gold (\$)	289.05	5.30	1.83	RPI	159.60	3.70	153.91
Silver (\$)	6.09	0.30	4.86	Base Rates	7.25	6.00	

www.bloomberg.com source: Bloomberg

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## DAVID MILES ON CLAIMS THAT WE WORK IN A GLOBAL MARKET PLACE

### Globalisation: the facts behind the myth

There is a scene in one of the films by the great American comedian WC Fields which goes something like this: Fields, as usual playing a wealthy scoundrel, is sitting by the fire in his comfortable home. It is a winter during the American depression. An unshaven, bedraggled figure knocks on the door. Barely able to speak with cold, he says: "I haven't eaten in a week." Fields, scowling, replies "force yourself!" and shuts the door.

As an economist I like this scene; it is an excellent example of a common phenomenon: wilful misinterpretation of evidence in one's own favour. The dramatically overused, and much abused, notion of "globalisation" is largely based on misinterpretation of evidence; and the concept is most frequently used by those with a vested interest of one sort or another.

For example, governments, when in power (though rarely when in opposition), frequently claim they are constrained by global forces. "We cannot ban tobacco advertising in Formula One racing since..." or "There is no point in our banning exports of arms to that country because of the global market..." And what better way for corporate spokesmen and women to justify an attempt at changing work practices or gaining acceptance for a small pay settlement than by saying that in a global market failure to compete will result in death.

How can the claims of the globalists be assessed? Is it true that in the last 10 to 20 years there have been such changes in technology, in the nature of traded goods and the way materials, information and people move around the globe, that the world is

now a dramatically different place than it was 50 or even 20 years ago?

Hermann Goering once, famously, said: "When I hear the word culture I reach for my gun." When I hear the word globalisation I reach for the Annual Abstract of Statistics. And what statistics reveal is that the claim that there is a global world market place in most commodities is hard to square with the facts.

Consider, first, the allocation of accumulated wealth across different asset classes. Portfolio theory says that diversification is a good thing. Suppose we live in a world with no barriers to international portfolio diversification. It would seem to follow that the portfolio of wealth held by the private sector in various countries should be fairly widely internationally diversified.

The chart reveals a picture of portfolio allocation dramatically at odds with this. It shows the proportion of the total wealth held by the personal sectors in the major economies that is in the form of claims on governments or companies in foreign countries. I use here a very wide definition of financial assets - it includes direct ownership by households of equities, bank deposits and bonds; but it also includes all the assets held by pension funds, life insurance companies, mutual funds and so on, on behalf of the personal sector. The chart reveals that in Europe, typically only about 5 per cent of the overall financial assets of the private sector are international. The UK and the Netherlands stand out as countries with an unusually high degree of international diversification; but even there only around 15 per cent of assets are claims on

foreign governments or companies.

Labour is dramatically less mobile than financial wealth. Indeed labour mobility now is probably lower than for much of the past 150 years. For those who are relatively well off (almost anyone in a developed country) a combination of inertia and familiarity with one's own culture and language make the option of moving to another country to work fairly unattractive for most people. For those who are far from comfortable (in developing countries the vast majority), immigration restrictions rule out the option of moving to countries where standards of living are dramatically higher.

It is plausible, of course, that physical capital (the location of factories and offices) is more mobile than human capital. Is there a global market here? In fact the degree of mobility of capital may well be no greater than 100 years ago. Consider the recent evidence from the UK. The UK has been one of the most successful countries in Europe

in attracting foreign direct investment.

Over the last 10 years the level of foreign direct investment in the UK has averaged about £12bn a year. But that still only represents a little over 10 per cent of domestic fixed investment over that period. So one of the most successful developed countries in attracting inward investment still finds that about 90 per cent of its capital formation is done by nationals.

This observation fits in with the empirical evidence first uncovered over 15 years ago by Martin Feldstein and Charles Horioka. They found an extremely high correlation between changes in physical investment in countries and changes in domestic saving. The implication of their finding was that most investment in developed countries gets financed from domestic saving. Most studies continue to find a very significant correlation between national saving and investment.

Of course it would be absurd to argue that all this means economies are insulated from world economic developments. But the claim of the globalists seems to be that there has, fairly recently, been some dramatic change in the degree of integration of world markets. Two forces - one worldwide and the other specific to Europe - are often argued to be behind this. First, technology has so increased the ease with which information can be transferred that the physical location of many operations is often now irrelevant. Second, and specific to Europe, the creation of the single market, the abolition of many tariffs, and the imminent creation of a single currency area, has (it is argued) had a massive impact.

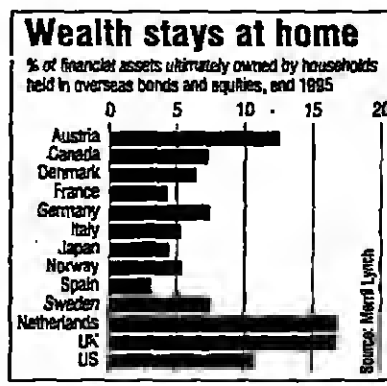
I doubt whether either of these factors are really that new or have caused a huge jump in market integration. In the second half of the 19th century there were few capital or trade restrictions between the capitalist countries. For much of that period there also, effectively, existed a single currency (the gold standard). And for much of the 19th century there were huge movements of workers between countries (largely from Europe to America).

At the same time there were enormous flows of capital between countries. And in the 40 years from 1861-1901 the pace of technological change was stunning. In those four decades the following were invented: the telephone, the internal combustion engine, the microphone, the electric locomotive, the motor car, the aeroplane, the radio transmitter. It is far from obvious that in the period since 1960 there has been such a change in technology.

In fact, claims about globalisation are themselves not particularly new. I am old enough to remember Labour politicians in the mid-1960s blaming many of the country's economic ills on the Gnomes of Zurich - the faceless operators of the global levers of economic power. And there is a much longer tradition of politicians being prey to the dark forces of foreign financiers.

So the next time you hear someone pontificating about globalisation ask yourself just what they are trying to make you believe ... and why.

David Miles is Professor of Finance at Imperial College, University of London and an economic adviser to Merrill Lynch.



### Ministers revamp civil service roles at DTI

Ministers have moved to assert their authority at the Department of Trade and Industry with the first sweeping reorganisation of civil service posts, including a new appointment to beef up the response to the coal crisis.

Anna Walker, the deputy telecommunications regulator at Ofcom, the watchdog, is being drafted into the DTI in a new

capacity as deputy director general of energy. The role, which starts on 19 January, will leapfrog the three existing civil servants responsible for coal, electricity and energy policy.

The appointment is another indication of ministers' frustration with some DTI civil servants over the handling of the coal crisis. Senior officials are

thought to have advised against some recent policy initiatives, including the review of the wholesale electricity trading market and the moratorium on applications to build gas-fired power stations.

A DTI spokesman said: "This is an appropriate move to reinforce senior management in that area."

Ms Walker's departure will be seen as a considerable loss at Ofcom, coming just two months before Don Cruickshank, the regulator leaves his post. She joined Ofcom from the DTI as director of competition in 1991 and became Mr Cruickshank's deputy in 1994. No replacement has been appointed. Other changes announced at

the DTI last week include confirmation of the departure of John Mitchell, head of gas, and a new head of the competitiveness unit. The DTI is also creating a merged division dealing with engineering, manufacturing and the car industry, to include the existing aerospace department.

Chris Godsmark

### Lafarge ready to sell quarries to get bid OK

Lafarge, the French building giant, is preparing to sell its ready-mix concrete quarries in Norwich and Leicester in order to get its £1.8bn bid for Redland past the UK competition authorities. The move should remove the final obstacle to the takeover.

Earlier this month the European Commission passed

the deal back to the UK competition authorities following a surprise request to scrutinise the bid from John Battle, the Industry Minister, following a recommendation from the director general of fair trading.

Mr Battle raised concerns that the deal would give Lafarge a stranglehold over the ready-mix concrete market in the

Midlands. The French group already has a large presence in the area, having acquired Ennemix, a local quarry group, last year in its first move into the UK market.

Sources believe that Lafarge has offered to sell the businesses in order to get the green light for its takeover.

Andrew Yates

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## Green and pleasant land threatened by planning loophole



Vale of fears: Wensleydale, where, parks officers say, only hard talks with Yorkshire Water forced a deal over a 29km line. The firm says it does remedial work after a scheme; the park says it is not up to scratch

Photograph: John Voos

A £4m plan to drive a water pipeline through unspoilt countryside has triggered a call to end planning privileges for former public utilities. Esther Leach looks at a new twist to an old problem.

The pipeline, between Yorker Bank reservoir, near Layburn, to the Fossdale Water Treatment Works, will carve a hole through three medieval sites of archaeological interest - earthworks associated with Fors Abbey, a watermill flood system at Nappa Hall and a medieval rabbit farm at Woodhall.

Yorkshire Dales National Park planners say former public utilities that are now private companies should no longer carry out developments without planning consent. Historically, the utilities have not needed to apply for permission for big schemes in the countryside. But planners and environmentalists argue that they should in fu-

ture, because their new private status renders them answerable to shareholders before people in the community.

Clive Kirkbride, the National Parks landscape and ecology officer, said only hard negotiations with Yorkshire Water had forced a compromise over the route for a 29km pipeline through Wensleydale.

The water company says the new main is necessary to "provide strategic support to the rural community" and it has tried to reduce the impact to a minimum, but officials at the National Park are known to be unhappy with remedial works carried out after previous schemes. Mr Kirkbride said: "The former public utilities now private companies still enjoy permitted development rights when their priority is no longer the public interest but their shareholders. There has to be a conflict of interest here which could be settled if these companies were subject to planning consent."

Yorkshire Water says it is astonished by the criticism, claiming that, as the region's biggest investor in the environment, it is ful-

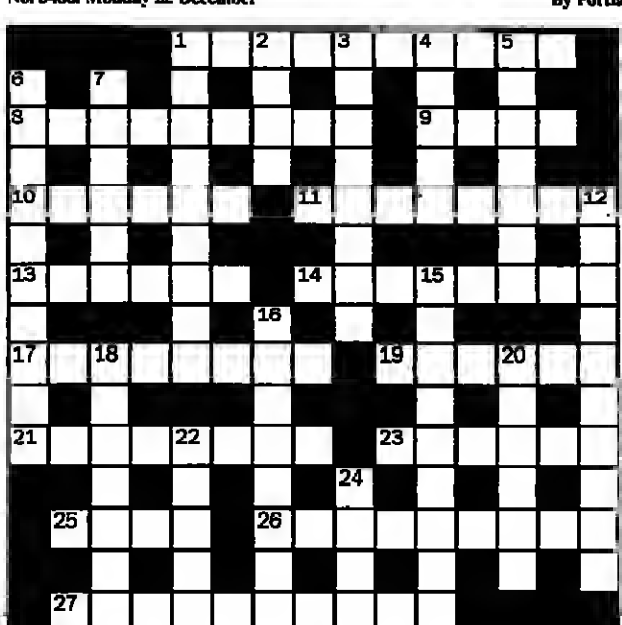
ly aware of its responsibilities. But George Hallas, Yorkshire Dales National Park Officer, said there was a history of similar problems. In 1996 the National Park negotiated with Yorkshire Water over the proposed route of a pipeline between Newbigin-in-Bishopdale and Aysgarth in Wensleydale to minimise the impact. "The route was altered by the company but there was still some archaeological damage, made worse by different construction techniques and inadequate restoration."

"Introducing planning consent would prevent many of these problems, especially now that utility companies are privately owned companies with an apparent need to put profits first. The question has to be asked as to why they should continue to benefit from a more favourable planning regime not enjoyed by others in the private sector." A Yorkshire Water spokesman said consultations with the National Park began in February, 14 months before the scheduled start-day for what they describe as an essential scheme.

### THE INDEPENDENT CROSSWORD

No. 3488, Monday 22 December

By Porcia



**ACROSS**  
1 Girl's a bit put out about row with Rex (10)  
8 Rude to push (9)  
9 Headless woman supplies a big number (4)  
10 Bearing time in mind for card game (6)  
11 Former Commonwealth head (8)  
13 Key investment in alternative energy by North American state (6)

14 The whole army unit's being sent round (8)  
17 Note new face added to picture (8)  
19 Greek character Troy, is in disgrace (6)  
21 Initially they try entering Scottish island plant (8)  
23 A revolution more or less (6)  
25 Sound produced by band (4)  
26 Persuade German to in-

terrupt lecture (7-2)  
27 Accepted caution's out of order and isn't worried (10)

**DOWN**  
1 Immensely horrible? (9)  
2 Check part of furniture inside (4)  
3 Certain a Continental's wrong (8)  
4 Sphere of substantial mass (5)  
5 Bore me about royal vessel of old (7)  
6 Reach the others who stop moving (4,2,4)  
7 None left of lot taken out recently (2,4)  
12 Attack what faith healers do (3,5,2)  
15 Credit it with removing number included in ban (2)  
16 He doesn't believe a cost-ing's right (8)  
18 Dislike doing without a form (7)  
20 Teenage fashion goods smuggled in by middle-men (6)  
22 King's seized by past trouble (5)  
24 We're told fly's a parasite (4)

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